United Nations S/2010/560

Security Council

Distr.: General
29 October 2010

Original: English

Letter dated 6 October 2010 from the Secretary-General addressed to the President of the Security Council

I have the honour to write to you regarding the financing of the Special Court for Sierra Leone. It has come to my attention that the Court will run out of funding this month and that the voluntary contributions necessary for the Court to complete its work cannot be found.

The Court was established at the request of the Security Council by the Agreement between the United Nations and the Government of Sierra Leone on the Establishment of a Special Court for Sierra Leone. The mandate of the Court is to prosecute persons who bear the greatest responsibility for the commission of crimes against humanity, war crimes and other serious violations of international humanitarian law, as well as crimes under relevant Sierra Leonean law committed within the territory of Sierra Leone.

The Court is funded from voluntary contributions, although financing through assessed contributions is a more viable and sustainable financial mechanism to ensure secure and continuous funding. I, the Management Committee, and the Registrar and other senior officials of the Court have made various appeals for funding for the Court. Despite these efforts, there will not be sufficient voluntary contributions for the completion of the work of the Court.

As you are aware, article 6 of the Agreement provides that should voluntary contributions be insufficient for the Court to implement its mandate, the Secretary-General and the Security Council shall explore alternate means of financing the Special Court. Immediate steps need to be taken pursuant to this provision. I wish to propose to members of the Council that one way of addressing the shortfall would be for all of the costs of the Court to be provided by assessment while preserving the independent nature of the Court. A severe shortfall in funding for the Court was addressed similarly during the biennium 2004-2005.

The Court has carried out its mandate successfully thus far despite its perennial funding problems, having prosecuted and convicted eight persons, who are now serving their sentences. The possibility of the Court running out of funds is of particular concern because the Court is currently conducting its final case, the trial of the former President of Liberia, Charles Taylor. It is currently projected that the trial and any appeal would be completed in early 2012. A collapse of this trial due to lack of funding would raise very substantial issues for the international community. At risk would be the legacy of the Court and the progress that has been made

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towards ensuring accountability and restoring peace and security in Sierra Leone and the region.

The shortfall for the period from November 2010 until the closure of the Court in early 2012 will be in the region of $18.4 million.

The Security Council may wish to invite me to bring the matter to the attention of the General Assembly with a view to seeking the appropriation of funds for the Court, while preserving the independence of the Court.

I should be grateful if you would bring the present letter to the attention of the members of the Security Council.

(*Signed*) **BAN** Ki-moon

United Nations S/2010/561

Security Council

Distr.: General
29 October 2010

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Letter dated 29 October 2010 from the President of the Security Council addressed to the Secretary-General

The members of the Security Council thank you for your letter dated 6 October 2010 (S/2010/560), in which you draw their attention to the difficulties faced by the Special Court for Sierra Leone with regard to its budget. They have also taken note of your proposal that the Council invite you to bring the matter to the attention of the General Assembly with a view to seeking the appropriation of funds to the Court, while preserving the independence of the Court.

Having consulted the Council members, I am pleased to inform you that, with the following understandings, they have no objection to your proposal with regard to supplementing voluntary contributions: it is not expected that there will be additional subventions for the Special Court for Sierra Leone; and the United Nations Secretariat, the Management Committee and the Registrar and other senior officials of the Special Court will intensify their efforts to fund the activities of the Court through voluntary contributions.

It is, of course, the understanding of Council members that any action you may take with the General Assembly on this issue will in no way affect the independence and structure of the Special Court for Sierra Leone, as established by the Agreement between the United Nations and the Government of Sierra Leone signed on 16 January 2002.

(*Signed*) Ruhakana **Rugunda**
President of the Security Council

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United Nations S/2010/562

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Report of the Secretary-General on the United Nations Interim Administration Mission in Kosovo

I. Introduction

1. The present report is submitted pursuant to Security Council resolution 1244 (1999), which established the United Nations Interim Administration Mission in Kosovo (UNMIK) and requested the Secretary-General to report at regular intervals on the implementation of its mandate. The present report covers the activities of UNMIK, and developments related thereto, from 16 July to 18 October 2010.

II. Political situation and Mission priorities

2. The goal of the Mission is the promotion of security, stability and respect for human rights in Kosovo through engagement with all communities in Kosovo, with the leadership in Pristina and Belgrade, and with regional and international actors. UNMIK status remained unaffected by the advisory opinion of the International Court of Justice (ICJ), delivered on 22 July 2010, on the question "Is the unilateral declaration of independence by the Provisional Institutions of Self-Government of Kosovo in accordance with international law?"

3. In the wake of the ICJ advisory opinion, and following an intensive process of consultation, the General Assembly adopted on 9 September 2010 resolution 64/298 that was jointly sponsored by Serbia and the 27 member States of the European Union. The resolution acknowledged the content of the ICJ advisory opinion, welcomed the European Union readiness to facilitate dialogue between Pristina and Belgrade and noted that the process of such talks would be a factor for peace, security and stability in the Balkan region.

4. UNMIK close cooperation and coordination with other international actors on the ground, at operational and strategic levels, have continued. The Organization for Security and Cooperation in Europe (OSCE) and the European Union Rule of Law Mission in Kosovo (EULEX) have maintained their important roles within the framework of Security Council resolution 1244 (1999). UNMIK and the OSCE Mission in Kosovo exchange information on a regular basis, particularly on political and security developments. In line with the Security Council presidential statement of 26 November 2008 (S/PRST/2008/44) and my report of 24 November 2008 (S/2008/692), EULEX operates in the rule of law sector under the overall authority

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and within the status-neutral framework of the United Nations. As per established practice, the quarterly report on EULEX activities, submitted by the High Representative of the European Union for Foreign Affairs and Security Policy, is contained in annex I to the present report.

5. The Kosovo Force (KFOR) and UNMIK continue to engage in information-sharing, particularly with regard to security developments, coordinate activities and develop common approaches on issues related to the maintenance of peace and stability on the ground.

6. The United Nations agencies, funds and programmes work closely with UNMIK. The United Nations Strategic Framework for Kosovo, developed jointly by UNMIK and the United Nations Kosovo Team (UNKT) as part of the integrated mission planning process, was endorsed by all stakeholders on 9 September; implementation is under way. The United Nations Kosovo Team common development plan, the five-year programming document of the United Nations agencies, funds and programmes, is scheduled to be launched in December.

7. In August, the Kosovo authorities announced that any Serbian government representative entering Kosovo in an official capacity, regardless of his/her seniority, would "be arrested and expelled if caught by the police". The reason provided was that Serbian officials visiting Kosovo had failed to act in accordance with the rules set out by the Kosovo authorities for such visits. This announcement came following a visit by Serbian Deputy Prime Minister and Minister of Interior to Gračanica monastery on 15 August, during which he responded to questions from the media regarding the handover of the protection of the monastery from KFOR to the Kosovo police as well as about the possibility, under Security Council resolution 1244 (1999), of Serbian police returning to Kosovo.

8. On 24 September, in response to a petition filed on 25 June by 32 members of the Kosovo Assembly, the "Constitutional Court" of Kosovo announced that President Fatmir Sejdiu had committed "a serious violation of the Constitution" by having simultaneously held the posts of President of Kosovo and head of a political party, the Democratic League of Kosovo (LDK). On 27 September, Mr. Sejdiu resigned as President of Kosovo, and the Kosovo Assembly Speaker, became the Acting President. Following Mr. Sejdiu's resignation, the governing coalition partners, the Democratic Party of Kosovo (PDK) and LDK, decided to hold early elections, which were originally due at the end of 2011, before a new President could be selected by the Assembly.

9. On 15 October, the Acting President announced that early general elections would be held on 13 February 2011, a move initially accepted by the junior coalition partner, LDK. However, the following day, Mr. Sejdiu announced that LDK would withdraw from the governing coalition effective 18 October. Deputy Prime Minister Hajredin Kuçi responded that, in light of the withdrawal of LDK, extraordinary elections would have to be held within 45 days, i.e. in early December. Statements by the Kosovo authorities indicate that they would prefer to engage in dialogue with Belgrade only after elections are held and new institutions are created.

10. Since my last report to the Security Council (S/2010/401), dated 29 July 2010, one additional State has recognized Kosovo, bringing the total to 70.

III. Engagement with Pristina and Belgrade and practical arrangements

11. Relations between UNMIK and the Kosovo authorities remained at arm's length during the reporting period. However, despite the absence of full and systematic interactions, my Special Representative held a number of meetings in a positive atmosphere with some Kosovo leaders, including then President Fatmir Sejdiu, Assembly Speaker Jakup Krasniqi and Deputy Prime Minister Hajredin Kuçi.

12. On 25 August, my Special Representative met in Belgrade with Serbian President Boris Tadić, the Minister for Internal Affairs, Ivica Dačić, and the Minister for Kosovo and Metohija, Goran Bogdanović. Other contacts with the Serbian authorities continued throughout the period both through the direct engagement of my Special Representative and through the United Nations Office in Belgrade.

13. With UNMIK facilitation, Belgrade and Pristina continued to cooperate on missing persons issues through the Working Group on Missing Persons, chaired by the International Committee of the Red Cross (ICRC), and on religious and cultural heritage issues through the Reconstruction Implementation Commission (RIC) for the Serbian Orthodox heritage sites in Kosovo, led by the Council of Europe. Full reconstruction of all damaged Serbian Orthodox sites has not been possible due to the exhaustion of available funds by the end of 2010. The RIC parties, supported by the international community, are exploring new modalities to allow the RIC mechanism to continue beyond the expiration of current funding, as it remains the only platform for interface at a technical level between the Serbian Orthodox Church, the Serbian Ministry of Culture and the Kosovo authorities. The European Union facilitator for the protection of the religious and cultural heritage of the Serbian Orthodox Church in Kosovo continued to engage with all stakeholders, including UNMIK.

14. The problem of missing persons remains a major challenge to efforts at bringing about reconciliation between the communities, and continues to disrupt the return process. ICRC estimates that 1,837 individuals were still missing as at September 2010 as a result of the armed conflict. During the reporting period, one session of the ICRC-chaired Working Group on Missing Persons was held in Belgrade on 27 August 2010. At the invitation of the Committee on Missing Persons in Cyprus, the Pristina and Belgrade delegations of the Working Group travelled to Cyprus from 27 to 29 September 2010 in order to exchange notes on their experiences and approaches to missing persons issues. UNMIK facilitated the participation and accompanied the Kosovo representatives in these events.

15. During the months of August and September, four searches were launched at two potential mass graves, at Zhillivodë/Žilivoda and Koshare/Košare in Kosovo, as well as at two potential mass graves in Rudnica near Raška and in Peručac Lake, in south-western Serbia.

16. Regrettably, dialogue and practical cooperation between Belgrade and Pristina have not so far extended to other areas.

IV. Northern Kosovo

17. Recent developments have increased political tensions in northern Kosovo. The advisory opinion of the International Court of Justice was met with disbelief

among the Kosovo Serb community in the north. On 22 July, the Serbian Government Coordinator for the Mitrovica District addressed a crowd of 700 Kosovo Serbs in northern Mitrovica and declared that "the fight for Kosovo will continue", before asking the crowd to disperse peacefully. A number of Kosovo Serbs blamed the Democratic Party leadership in Belgrade which, in their opinion, was unable to protect effectively the territorial integrity of Serbia. On 7 September, the Assembly of the Union of Serbian Municipalities and Settlements in Kosovo and Metohija declared that the Kosovo Serbs are citizens of the Republic of Serbia, and that "no illegal and violent acts could change this state of affairs". On 15 September, the Assembly of the Union of Serbian Municipalities met in northern Mitrovica, with 25 of 45 members attending, mainly from Serbian parties in opposition to the Serbian government. The session protested the General Assembly resolution on Kosovo and denounced the Serbian President, calling on him to resign.

18. Other events that triggered tensions in the north during the reporting period included the Kosovo Albanian construction, without approval by the UNMIK Administration in Mitrovica (UAM), of a strategically placed house on public land, as well as of an access road from the house to the Kosovo Serb village of Zveçan i Vogël/Mali Zvečan, also without a legal building permit. A UAM construction inspector as well as various international monitors visited the site but no agreement was reached with the owner. Due to the sensitivity of the issue, efforts have focused on finding a negotiated solution. A variety of unresolved property disputes, as well as efforts by institutions in Pristina to exercise their authority north of the Ibër/Ibar River, including through the deployment of Kosovo Police Regional Operations Special Units (ROSU) without agreement with EULEX, continued to generate inter-ethnic tensions. On 25 September, an explosive device was found in the municipality of Leposaviq/Leposavić near a cellular phone transmitter belonging to a Pristina-based provider, apparently in preparation to retaliate for the campaign by the Kosovo Telecommunications Regulatory Authority (TRA) to dismantle the "unlicensed" Serbian transmitters. The following day, TRA resumed its campaign to dismantle Serbian mobile telephone ground stations Kosovo-wide, including in the north. TRA technicians, escorted by a ROSU unit, appeared in the vicinity of a transmitter of Telecom of Serbia in the municipality of Zubin Potok but were met at the site by some 150 Kosovo Serbs who prevented them from removing the transmitter (see also para. 39 of the present report).

19. Meanwhile, both Pristina and Belgrade sought to stake claims to the administration of northern Mitrovica and the rest of northern Kosovo. Following local elections organized by Serbia in May, on 26 July the newly elected representatives established the municipal government of "Kosovska Mitrovica". The announcement by the Kosovo authorities on 25 August 2010 of plans to allocate 5 million euros for northern Kosovo was rejected by Kosovo Serb municipal leaders, who emphasized that the northern municipalities receive their financial support from Belgrade.

20. In September, as a result of the publication of an inaccurate report on the UNMIK Administration in Mitrovica by the "Office for Implementation of the Strategy for the North of Kosovo" in Pristina, a campaign against UNMIK activities in northern Kosovo erupted in the local media. Some media reports alleged that UNMIK staff were biased and listed their names and nationalities. As a direct consequence of the ongoing allegations by the Kosovo authorities and Kosovo media against the work of the UNMIK Administration in Mitrovica, its cooperation

with the Kosovo Albanian community has deteriorated in recent months. The representatives of the Kosovo Albanian villages in northern Mitrovica have recently stressed that they had been instructed to neither cooperate with the UNMIK Administration in Mitrovica nor solicit its assistance in the future. Nevertheless, during the reporting period, the UNMIK Administration in Mitrovica facilitated and coordinated activities with utilities companies to repair streetlights in the Kosovo-Albanian inhabited neighbourhood of the "Doctors Valley" area in northern Mitrovica and to restore water supply in the Kosovo-Albanian inhabited neighbourhood of Suhodoll/Suvi Do. The UNMIK Administration in Mitrovica provided the appropriate record books to the civil services centre, which began operating in July and has since offered services to all citizens in respect of civil status and civil registration. In the first two months of operation, 490 applications were processed from Kosovo Albanians, Serbs and other ethnicities, 90 of whom identified themselves as Serbs. With the view to further improving the effectiveness and the transparency of the activities of the UNMIK Administration in Mitrovica, my Special Representative is reviewing its functioning.

21. One noteworthy and positive development, albeit long overdue, was the closing down of the Česmin Lug Roma camp in northern Mitrovica, which over the years had gained notoriety for its unhealthy conditions. On 1 October, the UNMIK Administration in Mitrovica, in a coordinated action with the Office of the United Nations High Commissioner for Refugees (UNHCR), Mercy Corps and the Roma, Ashkali and Egyptian residents of the Česmin Lug camp in northern Mitrovica, closed and sealed off the camp. The electricity and water supply were cut and bulldozers were used to immediately remove the last standing shelters and barracks in order to dissuade any new arrivals from settling there. The remaining residents of the Česmin Lug camp and the UNMIK Administration in Mitrovica health house were moved to Camp Osterode. The site of the former Česmin Lug camp is now under the custody of UNMIK and the UNMIK Administration in Mitrovica with Kosovo police protection. Previously, some 50 new residential homes for members of the RAE communities were inaugurated in the Roma Mahala area in southern Mitrovica for returning families from Osterode and Česmin Lug. The United States Agency for International Development allocated 2.4 million dollars for the reconstruction of the houses that had been largely destroyed in June 1999 when the residents of Roma Mahala, numbering over 7,000, had fled. The number of families in Roma Mahala has now climbed to around 130. Construction work was launched on 27 August for an additional 38 houses for the Roma, Ashkali and Egyptian families from Česmin Lug and Osterode camps. This project, worth 5 million euros, was funded by the European Union while Mercy Corps and the Kosovo Agency for Advocacy and Development are in charge of its implementation.

22. The United Nations Development Programme and the United Nations Kosovo Team area-based development programme facilitated a civil society conference on Mitrovica development from 25 to 27 September. The conference, organized by the Ministry of Local Governance Administration, was attended by approximately 100 participants, the majority of whom were Kosovo Serb representatives from northern Mitrovica, and intended to discuss common concerns and solutions. The lack of regular dialogue between Kosovo communities in the north and south, the lack of access to donor funds and the lack of inclusion of young people and the civil society in decision-making processes were identified as key challenges by the participants.

V. Security

23. While the overall security situation in Kosovo remained relatively calm, there were recurring clashes in northern Kosovo between Kosovo Serbs and Kosovo Albanians. Incidents were reported on 26 July, when a Kosovo Albanian was assaulted by a group of Kosovo Serbs on the northern side of the main bridge in Mitrovica; on 5 August, when stones were thrown across the bridge between Kosovo Albanian and Kosovo Serb youths; and on 9 August, when three Kosovo Serbs attacked three Kosovo Albanians in northern Mitrovica. On 7 September, a Kosovo Albanian male was shot and killed in the northern Mitrovica neighbourhood known as Mikronaselje/Kodra e Minatorëve, and a Kosovo Serb police officer was later arrested in connection with the case. Although the case received high media attention, both Kosovo Albanian and Serb community leaders concluded that the murder was not ethnically motivated and would have no significant impact on community relations.

24. On 11 September, following the Serbian basketball team loss to Turkey in the semi-finals of the basketball world championship tournament, approximately 150 Kosovo Albanians while celebrating this event tried to cross the main bridge in Mitrovica shouting anti-Serbian slogans. This led to stone-throwing between 600 Kosovo Albanians and 1,000 Kosovo Serbs, who were kept separated by Kosovo Police Regional Operations Units and EULEX formed police units, on each side of the bridge. During the unrest that followed, one Kosovo Serb male and one EULEX police officer were injured by gunfire. Three Kosovo Serbs, one Kosovo Albanian and one Kosovo police officer also sustained light injuries, while extensive material damage to private property occurred.

25. Other incidents in the northern municipalities included the repeated targeting of a Kosovo Albanian-owned bakery near the main road in Zvečan/Zveçan that was damaged by an explosive device on 18 September. The owner was assaulted on 5, 18 and 30 September. Kosovo police classified the incidents as ethnically motivated. A trend of targeting Kosovo Serbs working for Kosovo institutions was noted in northern Mitrovicë/Mitrovica and Zvečan/Zveçan, with three separate incidents targeting the vehicles of Kosovo institutions employees reported on 17, 18 and 20 July. Two Kosovo police vehicles were targeted by bombs and two private vehicles owned by Serb members of Kosovo police were set on fire on 28 August, while on 9 September a hand grenade went off near the private vehicle of another Kosovo Serb police officer. On 8 August, in Zubin Potok, unknown persons attempted to burn a vehicle belonging to the municipal communities office based in the Kosovo Albanian village of Çabër/Čabra.

26. On 15 October, following an argument between two groups of young Kosovo Albanians and Kosovo Serbs at the main bridge in Mitrovica, unknown persons stole the Serbian flag from the Belgrade-sponsored municipality building, located in the northern part of the town. Later, about 100 Kosovo Albanian juveniles gathered on the southern side of the main bridge and burned a Serbian flag. Kosovo police intervened and arrested three Kosovo Albanian males who disobeyed its orders. The crowd dispersed before midnight. This incident came just three days after an Albanian flag was burned by Serbian rowdies at the start of a football match in Genoa, Italy. That incident set the stage for several incidents involving the burning of Serbian flags, inter alia, in Tirana, Albania, and Tetovo, the former Yugoslav Republic of Macedonia.

27. On both sides of the Ibër/Ibar River, KFOR has introduced enhanced security operations and vehicle check points, in close cooperation with Kosovo Police forces

and EULEX, in order to ensure a safe and secure environment. KFOR will maintain a robust reserve force able to quickly respond to civil unrest in Mitrovica and at gates 1 and 31, where KFOR focuses its main security effort on supporting EULEX.

VI. Rule of law

28. UNMIK continues to exercise certain responsibilities in the area of rule of law and cooperates at the technical level with the Kosovo Ministries of Justice and Internal Affairs, as well as the Serbian Ministry of Justice.

29. UNMIK continues to receive and forward requests for mutual legal assistance from non-recognizing countries. The Kosovo Ministry of Justice is not acting on requests received from Serbia due to non-reciprocity. UNMIK provides document certification services to Kosovo residents as well as to non-recognizing States. Those services include primarily the certification of civil status, pension and academic documents.

30. According to the Kosovo authorities, the number of Kosovo Serbs who have obtained Kosovo identity cards since they were first issued on 10 October 2008 reached approximately 21,000 by the end of August 2010. Although the number of Kosovo Serbs who applied for Kosovo civil documents dropped by half compared to the past reporting period, the ongoing applications indicated the continuing need for them to access public services, banking as well as pension and social aid.

31. UNMIK continues to facilitate Kosovo interaction with INTERPOL. During the reporting period, UNMIK worked on 16 requests for international wanted notices received from EULEX and local judges and facilitated the issuance of 14 INTERPOL Red Notices.

32. Ongoing efforts by EULEX to re-establish a fully functioning, multi-ethnic court in the northern part of Mitrovica and full-fledged customs facilities at gates 1 and 31 continue to face obstacles.

33. According to the Kosovo authorities, as a sign of good will and to avoid any tension with Serbia, a policy decision has been taken to continue allowing the citizens of Serbia to enter Kosovo only with their national ID card.

34. On 19 July, the Appeals Chamber of the International Criminal Tribunal for the Former Yugoslavia (ICTY) ordered a partial retrial of the case of Ramush Haradinaj, the leader of the Alliance for the Future of Kosovo and former Kosovo Prime Minister, as well as his immediate detention on remand. Mr. Haradinaj's request for release pending trial was denied by the Tribunal on 11 September and he has appealed this decision.

35. On 23 July, the Governor of the Central Bank of Kosovo was detained by Kosovo police in connection with an ongoing corruption and financial investigation. His detention was extended on 23 August for 60 days.

VII. Communities and returns

36. The Kosovo authorities took steps to streamline municipal capacities for non-majority community rights and the return process by merging the municipal

community offices and the municipal returns offices into municipal offices for communities and returns. As of today, formal requirements for setting up those offices have been met in almost all the municipalities south of the Ibër/Ibar River and the transition is well under way.

37. As part of the ongoing decentralization process, following run-off elections on 18 July with a 54.7 per cent turnout, the new, predominantly Kosovo Serb-majority municipality of Partesh/Parteš was finally established on 19 August when the 15 members of the municipal assembly and the new mayor took the oath of office. It joins the other four newly created municipalities south of the Ibër/Ibar River that are making slow yet steady progress towards full operational capacity. The new municipalities continue the process of setting up their municipal structures, forming policy and finance committees, communities committees, and working on municipal statutes, rules and procedures for municipal assemblies. Some delays in transferring responsibilities from "mother municipalities" have affected service delivery, property administration, as well as the provision of essential public services, including health and education. Full administrative and operational functionality has also been impeded by budgetary constraints.

38. On 26 September, the Kosovo Telecommunications Regulatory Authority resumed disconnection of "unlicensed" Serbian mobile, and, partially, landline network providers. According to the Telecommunications Regulatory Authority officials, only in the first two days of the operation, Authority teams, supported by the Kosovo Police, dismantled 23 telecommunication ground stations and telecommunications equipment at 21 locations. This sparked subdued protests by Kosovo Serbs in some areas such as Osojan/Osojane and Cërkolez/Crkolez (Istog/Istok municipality), while at some locations Authority teams withdrew after gunshots were heard in the vicinity. The Telecommunications Regulatory Authority postponed the disconnection of the antenna located inside the Orthodox churchyard at Upper Rahovec/Orahovac town, fearing an adverse reaction from the local Kosovo Serb community. Meanwhile, the antenna located near the Orthodox monastery in Zoçishtë/Zočište in Rahovec/Orahovac municipality was disabled along with a number of transmitters. Serbian Government officials and the Serbian Orthodox Church protested against the move, alleging that 70,000 to 80,000 Kosovo Serbs all over Kosovo were left without basic means of communication as the operation targeted the co-located mobile and landline communication equipment, which subsequently affected access to emergency services, and disrupted the normal functioning of several licensed Kosovo Serb media outlets.

39. Lack of potable water and proper sewage networks remains a common problem in many minority locations Kosovo-wide. The Serb quarter in Upper Rahovec/Orahovac town was, as with previous years, without running water for several consecutive weeks in the summer season. The local authorities were not proactive, denied any responsibility and attributed the problem to the water company. Similar complaints were raised by affected communities and their leaders to the Graçanicë/Gračanica, Lipjan/Lipljan and Vushtrri/Vucitrn municipal authorities.

40. The new school year in minority areas started without major problems. The number of secondary school students in some Serbian enclaves has decreased, as more parents sent their children to northern Kosovo or Serbia proper with the expectation of better education opportunities and employment prospects there. In Dragash/Dragaš, the issue of the Serbian curriculum still divides the Gorani community. Gorani children

are generally following the Serbian curriculum under the "parallel education system", while those whose parents claim Bosniak ethnicity and whose political leaders are in a coalition with the PDK ruling party support the Kosovo educational system.

41. The situation in Zallq/Žac in Istog/Istok municipality appears to have stabilized despite similar issues — allegations of involvement in war crimes, unresolved missing persons cases and property disputes — being raised in protest against Kosovo Serb returnees in other areas. The Kosovo Force had recently reduced its security presence at the Zallq/Žac returns sites following weeks of calm. The second phase of housing reconstruction for the returnees began on 16 September, while works on 13 houses started in the first phase on 9 July are ongoing.

42. According to the statistics of the United Nations High Commissioner for Refugees (UNHCR), some 706 displaced persons returned voluntarily to Kosovo during the reporting period, of whom 233 (33 per cent) were Kosovo Serbs and 360 (51 per cent) were Roma, Ashkali and Egyptian.

43. The number of "go-and-see" visits and "go-and-inform" visits dropped compared to the previous quarter. During the period under review, UNHCR reported 11 "go-and-see" visits targeting 87 displaced persons, largely from Montenegro and Serbia. Seven "go-and-inform" visits were also organized for the benefit of 65 displaced persons. Several construction and reconstruction projects for returnees were implemented under phases I and II of the return and reintegration in Kosovo (RRK) project. About 78 per cent of the beneficiaries are Kosovo Serbs while Roma, Ashkali and Egyptians account for 17 per cent. As of 5 October, 28 houses have been constructed, 17 of which had been handed over to the beneficiaries.

44. UNHCR data on returns recorded 138 minority forced returns from third countries, mainly in Western Europe, of which, 18 per cent were Kosovo Serbs, 36 per cent Roma and 19 per cent Ashkali.

45. The recent signing of readmission agreements between Western European countries and Kosovo and the planned repatriations of several thousand Roma, Ashkali and Egyptian families originating from Kosovo under these agreements, have raised alarm as existing reintegration programmes are stretched and insufficient to meet the needs of the most vulnerable. According to UNICEF research, existing return and repatriation practices fail to provide for a return in safety and dignity. Roma, Ashkali and Egyptian children, regardless of whether they return voluntarily or are being repatriated against their will, are particularly vulnerable. UNICEF research confirmed alarmingly high drop-out rates from schools among returning Roma, Ashkali and Egyptian children, high rates of statelessness (e.g. children not being registered), high incidence of extreme poverty and inadequate access to health-care services, especially among children with special needs or chronic diseases.

VIII. Cultural and religious heritage

46. UNMIK continued to facilitate the work of the Reconstruction Implementation Commission on the reconstruction of cultural and religious heritage sites damaged or destroyed during the March 2004 violence. Under the Commission auspices, rehabilitation works at the Episcopal Church of Saint George in Prizren were completed,

works at two sites in Vushtrri/Vucitrn and Gjakovë/Đakovica are nearing completion, and work at three further sites are expected to be finalized by the end of 2010.

47. UNMIK also facilitated the activities of the United Nations Educational, Scientific and Cultural Organization (UNESCO) in Kosovo. UNESCO, with the support of UNMIK, conducted coordination visits and technical assessments of cultural heritage sites under reconstruction and continued to implement projects engaging Kosovo Albanians and Kosovo Serbs.

48. UNMIK monitored the security arrangements provided for the Serbian Orthodox sites in coordination with EULEX, the Kosovo Ministry of Culture, Youth and Sports and KFOR. KFOR staged process of "unfixing" forces from sites with "designated special status" continued during the reporting period. On 23 August, KFOR officially handed over responsibility for the protection of the Serbian Orthodox Monastery in Graçanicë/Gračanica to the Kosovo police. The Serbian Orthodox Church opposed this decision, expressing concerns about safety of the clergy and holy sites. The North Atlantic Council also decided to transfer to the Kosovo police the responsibility for the protection of the Budisavci, Gorioč and Zočište monasteries, which has yet to take place. No decisions have been announced for other important Serbian Orthodox Church sites under KFOR protection, namely the Patriarchate of Pejë/Peć or the Visoki Dečani, Dević and Holy Archangels monasteries.

49. On 3 October, the enthronement ceremony of the head of the Serbian Orthodox Church, Patriarch Irinej, was held at the Patriarchate in Pejë/Peć, facilitated by robust security measures by KFOR, the Kosovo police and EULEX. Serbian President Tadić and other dignitaries participated in the ceremony, which attracted several thousand pilgrims and invitees. My Special Representative attended the ceremony as did the heads of the other international presences, the KFOR Commander, the Head of Mission of the Organization for Security and Cooperation in Europe, and the head of EULEX. There were no incidents during the ceremony itself. However, there were reports of posters placed prior to the ceremony along the road to the Patriarchate depicting the Patriarch as a war criminal. These were removed by KFOR soldiers. On their way home following the ceremony, in four separate stoning incidents, Serbian buses transporting pilgrims were targeted, mainly in the Pejë/Peć area, while heading home after the ceremony. One pilgrim was slightly injured. The Kosovo police intervened, taking six Kosovo Albanians into custody.

50. During the reporting period, incidents were registered involving both Serbian Orthodox and Muslim religious sites. In August, the Serbian Orthodox Church in Bërnica e Epërme/Gornja Brnjica was vandalized, the parish house of the Orthodox Church in Gjilan/Gnjilane town was broken into for the third time and some items were stolen. In September, two Orthodox cemetery tombstones were desecrated in Tomanc/Tomance village (Kamenicë/Kamenica municipality). In two separate but similar incidents in August, unknown perpetrators broke into the Turkish baths and a mosque in Pejë/Peć municipality and stole lead sheeting from the roof. In September, in Deçan/Dečani municipality, a sacral structure located inside a Muslim cemetery was set on fire by unknown persons.

IX. Human rights

51. Following the entry into force on 12 September 2010 of the new "Law on the Ombudsperson", the Ombudsperson initiated the appointment process for the five

deputy ombudsperson posts provided for by the law. It may be recalled that the protracted appointments process for the post of the Ombudsperson itself led to concerns about the impartiality of the institution. It is critical that the new appointments are made strictly in accordance with established rules and procedures.

52. Shortcomings in the rule of law sector continue to pose significant protection hurdles. This is a matter of concern especially given that the bulk of complaints received by the Ombudsperson institution relate to judicial and administrative matters. In its most recent annual report, the Ombudsperson further highlighted continuing concerns in the protection of property rights, as well as serious inadequacies in the treatment of persons with disabilities.

53. In pursuance of its mandate, the Human Rights Advisory Panel has made recommendations to my Special Representative on 62 out of a total of 521 complaints.

X. External representation and regional cooperation

54. UNMIK continued efforts to facilitate Kosovo participation in regional and international conferences, although the Kosovo authorities have been less than enthusiastic about utilizing UNMIK facilitation role. In the wake of the advisory opinion of the International Court of Justice they have actively resisted such a role, perceiving it as a limitation on the "sovereignty" of Kosovo. However, should this policy continue over time, it might result in increasing isolation of Kosovo as a consequence of its difficulty in engaging in regional cooperation, directly affecting Kosovo's economic and social development. On the other hand, in the case of the Central European Free Trade Agreement (CEFTA), where Pristina has shown renewed interest in remaining actively included, the continued refusal of some CEFTA parties to accept the Kosovo customs stamps has complicated matters, although the stamps have been communicated in line with the CEFTA provisions and UNMIK has repeatedly assured that they are in accordance with Security Council resolution 1244 (1999). The trade difficulties stemming from the non-cooperation on customs stamps are further reducing the already limited export possibilities for products originating from Kosovo.

55. During the reporting period, UNMIK facilitated the participation of Kosovo in one meeting of the Regional School for Public Administration Steering Committee; one meeting of the Governing Board of the Implementation of the Single European Sky in South-East Europe project, co-organized by the Regional Cooperation Council, the International Civil Aviation Organization and the European Commission; one NATO meeting on Balkan aviation normalization; three Energy Community meetings; one meeting of the South-East Europe Transport Observatory (SEETO) Steering Committee, the European Commission and international financial institutions on the review of the priority projects of the SEE Regional Transport Network; one meeting of the SEETO Steering Committee; one meeting of the Central European Free Trade Agreement; and a round table on non-tariff barriers co-organized by the OECD and the Hungarian Government.

XI. Observations

56. I welcome the resolution adopted by the General Assembly on 9 September and the readiness of the European Union to facilitate a process of dialogue between

Pristina and Belgrade. I am pleased that the text of the resolution adopted was based on agreement between Serbia and the European Union, thus creating the conditions for this process to move forward in the context of the European perspective for the region.

57. This dialogue is expected to open a new phase, help build confidence between the sides and lead to the resolution of issues which are important for the consolidation of peace, stability and reconciliation in Kosovo and in the region. I will therefore continue to encourage Pristina and Belgrade to engage in it in good faith, in close consultation with the European Union. I believe that it is in the interest of the sides to start this process rapidly and to take advantage of the positive momentum created in the past months.

58. I reaffirm the readiness of the United Nations to contribute to these efforts in close coordination with the European Union. The United Nations stands ready to support the dialogue, as necessary and useful. My Special Representative is in contact with the European Union, as the facilitator in this process, and I intend to keep the Security Council informed accordingly. In this regard, I will also continue to stress the importance of close coordination among all stakeholders with regard to the next steps of the process.

59. The situation in northern Kosovo has remained unstable, and tensions have grown in the aftermath of the International Court of Justice advisory opinion. I continue to urge the sides to exercise restraint and adopt a measured, constructive approach in order to avoid further escalations in northern Kosovo. In this regard, the support of the members of the Security Council for the efforts of UNMIK there, and their unequivocal messages to the sides to avoid unilateral actions that could lead to the escalation of tensions, will remain crucial.

60. I am also concerned over the recent report by the Kosovo authorities and the subsequent media commentaries against the UNMIK presence in the north, which have risked placing United Nations staff in danger. UNMIK would be prepared to hand over its functions in northern Kosovo to a structure which is legitimate and acceptable to all communities, in accordance with the United Nations policy of status neutrality. Until then, I strongly urge all sides to continue their cooperation with UNMIK in delivering its mandate.

61. Besides the north, the absence of significant progress in reconciliation between the communities remains evident elsewhere in Kosovo, and continues to present a challenge. Although some progress has been made through the process of decentralization, there has been no significant change in the consistently low numbers of returns. The incidents surrounding the enthronement of Patriarch Irinej in the Peć Patriarchate are regrettable and demonstrate that more needs to be done to overcome past prejudices and to ensure that religion is not politicized in Kosovo.

62. The Reconstruction Implementation Commission for the Serbian Orthodox heritage sites in Kosovo has proved to be an effective forum for cooperation between Belgrade and Pristina. It is therefore highly desirable that the parties participating in the Commission agree to preserve it and extend this umbrella for cooperation in other technical areas, as appropriate. The international community should support the Commission with technical expertise and additional funding.

63. I would like to conclude by expressing my gratitude to my Special Representative for continuing his excellent leadership of the Mission and his efforts to advance cooperation between all sides and help maintain security and stability in

Kosovo and in the region. I would also like to commend the staff of UNMIK for their continued dedicated work and commitment to the goals of the United Nations.

64. Finally, I would like to extend my gratitude to the long-standing partners of the United Nations in Kosovo — the European Union, NATO and OSCE — as well as to the United Nations agencies, funds and programmes, for their ongoing support and cooperation with UNMIK.

Annex I

Report of the High Representative of the European Union for Foreign Affairs and Security Policy to the Secretary-General on the activities of the European Union Rule of Law Mission Kosovo

1. Executive summary

The European Union Rule of Law Mission in Kosovo (EULEX) continued to undertake monitoring, mentoring and advising activities in the area of rule of law and to implement its executive functions according to its mandate. The Mission worked with the Kosovo rule of law authorities on planning and implementation of targeted monitoring, mentoring and advising activities, focusing especially on management level capacity and methodology in the Kosovo police, justice and customs. On the executive side, EULEX focused its attention on tackling organized crime and corruption throughout Kosovo. The number of verdicts issued by EULEX judges or by EULEX-led court panels significantly increased. EULEX also set up a taskforce to coordinate actions planned to fight criminality in the north.

2. Activities of the European Union Rule of Law Mission in Kosovo for the period from July to October 2010

General

EULEX is currently comprised of 2,846 (1,677 international and 1,169 local) staff. Meetings of the Joint Rule of Law Coordination Board, co-chaired by the Head of EULEX and the Deputy Prime Minister, continued to take place on a monthly basis, as a mechanism for discussion of a range of rule of law issues. Both the Head of Mission and Deputy Head of Mission designates attended the Board in September in preparation for their taking up duty on 15 October 2010. The Head of Mission designate also visited the Department of Peacekeeping Operations at the end of September as part of his induction programme. EULEX continued to work closely with UNMIK and with other European Union presences in Kosovo, in particular the European Union Special Representative for Kosovo and the European Commission Liaison Office in Kosovo, and to coordinate closely with KFOR.

War crimes

The War Crimes Investigation Unit (WCIU) made an analysis of 305 pending cases finding gaps and deficiencies related to the type, time and location of offences. The Investigation Unit discussed these cases with the Special Prosecution Office of Kosovo and one case was dismissed in August. EULEX continued to work with the Serbian authorities on the suspected Raška mass grave case. An exhumation team from Belgrade took additional soil samples from a depth of 6 to 8 metres. Based on Kosovo Police intelligence, a new investigation has been launched related to a potential mass grave in a village near Lipjan/Lipljan. The Investigation Unit is looking into the alleged killing of some 150 Kosovo Albanians in Dubravë/Dubrava in May 1999. A formal investigation has not yet been opened. The Investigation Unit identified and located most of the witnesses connected to an investigation into

a suspected Kosovo Liberation Army detention centre in Lipjan/Lipljan (Klecka case), where Kosovo Albanians and Kosovo Serbs were allegedly tortured and killed. The Investigation Unit started investigations into alleged crimes committed in May 1999 in Zallq/Žać village (Istog/Istok municipality). The Investigation Unit met an association of Serbian families of missing persons, to improve the procedure established for collecting information on these cases. The Investigation Unit passed some information to some families on the fate of their relatives. The Department of Forensic Medicine — formerly Office of Missing Persons and Forensics — coordinated logistical preparations and began exhuming the suspected mass grave in Vushtrri/Vučitrn.

Cooperation between EULEX and the International Criminal Tribunal for the Former Yugoslavia is highly satisfactory and extends beyond war crimes issues, including witness protection. EULEX attended two meetings with the Tribunal to discuss issues related to the request of Lahi Brahimaj and Ramush Haradinaj for provisional release. On 23 August, the War Crimes Investigation Unit met representatives from the War Crimes Justice Project of the Office for Democratic Institutions and Human Rights of the Organization for Security and Cooperation in Europe (OSCE/ODIHR). The project supports the transfer of expertise in war crimes from the Tribunal to local jurisdictions. The Investigation Unit suggested to OSCE/ODIHR the inclusion of Kosovo participants in a future training of Balkan war crimes prosecutors and investigators. The Investigation Unit is developing a project to build up improved methods for locating mass graves in Kosovo by using satellite imagery. On 27 August, the Investigation Unit took part for the first time as observers in a meeting of the Missing Persons Working Group chaired by the International Committee of the Red Cross in Belgrade. Both the International Committee of the Red Cross Serbian and Kosovo delegations expressed interest in direct contacts with the Investigation Unit. The Investigation Unit worked 10 days with the Tribunal investigators and prosecutors during their mission to Kosovo in September.

Police

The Kosovo Police started an overall assessment of senior positions that have yet to be filled. EULEX has been monitoring and advising on the selection process. Reduced staff levels continue to affect some units of the Kosovo Police Directorate of Organized Crime, after 16 officers were transferred to the Anti-Corruption Task Force under the Special Prosecution Office of Kosovo. EULEX Police Strengthening Department in cooperation with the Kosovo Police started to assess all working levels of the Kosovo Police management from the station level to the pillar level to support the Kosovo Police enhancing their Management Structures. EULEX is also supporting the new community policing methodology of the Kosovo Police.

Implementation of the Green Border Transfer Strategy on the border with the former Yugoslav Republic of Macedonia is facing some delays in the recruitment process and the equipment purchase. Handover by Kosovo Border and Boundary Police will take place by phases in different areas of the border with the former Yugoslav Republic of Macedonia starting at the end of the year. EULEX continued to monitor the synchronized patrols by the Kosovo Police Border and Boundary and Montenegrin Border Police that are taking place in an area of 11 km around the Kullë/Kulina border crossing point. The first steps to negotiate an agreement on border demarcation with Montenegro and the creation of new border crossing points will start soon. A Montenegrin commission is already created for this purpose. The

Kosovo authorities are still in the process of preparing the proposal for forming the delegation for negotiations.

On 23 August, the Kosovo Police took over full responsibility for securing the Monastery of Graçanicë/Gračanica from KFOR, after a transitional period of three weeks involving the joint presence of the Kosovo Police, KFOR and EULEX (in a monitoring role). No incident has been recorded. The new Patriarch Irinje of the Serbian Orthodox Church was enthroned at the Pejë/Peć Patriarchate on 3 October. EULEX Police monitored, mentored and advised relevant Kosovo Police personnel assigned to the operation. According to the evaluation of EULEX monitors, the Kosovo Police were able to carry out all of their functions with only minor advice and the Kosovo Police officers remained calm and professional in their duties, despite minor public order difficulties.

On the executive side, EULEX progressed in some high profile cases over the summer. On 19 July, Post and Telecommunications Kosovo (PTK) was the subject of searches at eight locations by EULEX Police and the Kosovo Police. The searches, which included the home of the PTK Director, were related to investigations into two multi-million euro contracts on telecommunication licences, between the Post and Telecommunications Kosovo and a mobile operator. On 23 July, the Kosovo Police arrested the Governor of the Central Bank of Kosovo after searching the premises of the Central Bank and private residences in connection with a number of corruption-related offences. A Kosovo special prosecutor, EULEX Police monitors and a liaison officer were present at the Central Bank to provide oversight and to ensure the effective gathering of evidence. The searches and the arrest were authorized by a pretrial judge of EULEX. The defendant was placed in detention on the order of a local pretrial judge. On 29 July, the Special Prosecution Office of Kosovo expanded the charges filed against the Central Bank Governor to include abuse of official position and receiving bribes over the issuance of operating licences to insurance companies. On 28 July, EULEX Police under the supervision of the Special Prosecution Office of Kosovo searched the residence of a former Kosovo Liberation Army commander suspected of war crimes. On 29 July, EULEX Police under the supervision of the Special Prosecution Office of Kosovo arrested an information technology administrator charged with obstruction of evidence in connection with the investigation into the Ministry of Transport and Telecommunication. He was released from detention by a pretrial judge of EULEX the following day but remains a suspect under investigation. On 15 September, EULEX Police and Kosovo Customs officers, supported by EULEX Special Police Department and under the supervision of a EULEX prosecutor from Pristina District Court, arrested five suspects on suspicion of involvement in organized crime, fuel smuggling, tax evasion and misuse of economic authorization. Two other suspects are respectively in Albania and in detention in Serbia since May 2010. A pretrial judge ordered a one-month detention on remand for all the arrested suspects while several seized items are being analysed. The investigation had been ongoing for over a year. Two arrests were made in north Mitrovicë/Mitrovica, one on a charge of attempted murder and one of unauthorized possession of weapons. The arrest warrants were issued by a pretrial judge of EULEX in the District Court of Mitrovica.

Justice

EULEX advisers continued to mentor, monitor and advise their local counterparts at all levels. Consultations between EULEX and local civil judges

resulted in a strategy to tackle the backlog of conflict-related property and compensation cases. The strategy comprises among other things the possibility to take decisions in cases without the presence of the claimant or respondent. Subsequently, the Municipality Court (MC) Lipjan/Lipljan and Kaçanik/Kacanik saw a significant reduction of cases pending decision. The latter reduced the backlog of stayed cases from 25 to 2 in September. On the executive side, the Supreme Court panel, presided over by a EULEX judge, decided to reject the appeal of the Governor of the Central Bank of Kosovo, whose detention on remand was affirmed. At the Mitrovicë/Mitrovica District Court, EULEX judges took over an additional 10 urgent criminal cases, including cases with defendants in pretrial detention since 2007 or 2008. A pretrial judge of EULEX revoked the arrest order of two defendants suspected of war crimes due to lack of grounded suspicion. At the same court, EULEX judges handed down a suspended sentence of two years in prison in a drug-related case and, in a separate case, sentenced a man to six years in prison for murder.

Customs

On 23 July, the Head of Mission chaired a meeting of the EULEX north Mitrovicë/Mitrovica task force, which was set up to coordinate law enforcement operations in the region. The joint Kosovo Customs and Kosovo Police Taskforce began operations in late August. Six of the 13 Kosovo Customs flexible anti-smuggling teams were allocated to work with the task force. The Kosovo Police and Kosovo Customs drafted an operational plan agreeing on all coordinated activities. Other agencies (Ministry for Transport and Telecommunications, Kosovo Food and Veterinary Agency, Ministry of Trade and Industry and Tax Administration of Kosovo) were also consulted. The task force has been initiated to conduct operations to tackle organized crime and smuggling activities.

Approved by Yves de KERMABON
Head of Mission

Annex II

Composition and strength of the police component of the United Nations Interim Administration Mission in Kosovo

(as at 18 October 2010)

Country	*Number*
Germany	1
Ghana	1
Italy	1
Turkey	1
Romania	1
Russia	1
Pakistan	1
Ukraine	1
Total	**8**

Annex III

Composition and strength of the military liaison component of the United Nations Interim Administration Mission in Kosovo

(as at 18 October 2010)

Country	*Number*
Denmark	1
Poland	1
Norway	1
Spain	1
Ukraine	2
Romania	1
Czech Republic	1
Total	**8**

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Security Council

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Third report of the Secretary-General pursuant to paragraph 3 of resolution 1905 (2009)

I. Introduction

1. The present report is submitted pursuant to paragraph 3 of Security Council resolution 1905 (2009), in which the Council requested me to provide written reports to the Council on a quarterly basis, to include details on progress made in strengthening financial and administrative oversight of the current Development Fund for Iraq, as well as details on the legal issues and options to be considered with respect to implementing successor arrangements for the Fund and an assessment of the progress of the Government of Iraq in preparing for such arrangements.

2. The issues covered in the present report were discussed at the recent meeting of the International Advisory and Monitoring Board held in Amman, on 14 and 15 October 2010, and reflect activities with regard to both the Advisory Board and the Development Fund that have taken place since my second report of 6 July 2010 (S/2010/359).

II. Major developments

A. Recent activities with regard to the Development Fund for Iraq and the International Advisory and Monitoring Board

3. At the meeting held in Amman, the external audit firm, KPMG, briefed the Advisory Board on the final results of the 2009 audit. The finalization of the 2009 audit took some time due to delay in fieldwork, which was caused, among other things, by bombings that affected a number of ministries during 2010. The final reports and management letters are available on the Advisory Board's website.

4. At its previous meeting, the Advisory Board approved the audit appointment process and concurred with the recommendation of the Government of Iraq to appoint PricewaterhouseCoopers to conduct the 2010 audit of the Development Fund, including an interim review of the period from 1 January 2010 to 30 June 2010.

5. The Advisory Board considered the preliminary results of the audit of the Development Fund for the period from 1 January 2010 to 30 June 2010, and was briefed by PricewaterhouseCoopers on the results of their work for the same period. A summary of the results is available on the Advisory Board's website.

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6. At the request of the Advisory Board, the scope of work for the 2010 interim audit had been expanded to include a review of the installation of a comprehensive oil-metering system. I note from the interim audit that the implementation of the plan is behind schedule and encourage the Government of Iraq to make every effort to implement the metering plan on schedule, as envisaged in the time-bound action plan presented by the Government of Iraq to the Security Council.

7. The Advisory Board was briefed by the representative of the Committee of Financial Experts on actions taken to enhance the transparency and accountability of the Development Fund, taking into account the earlier external audit findings. That briefing is published on the websites of both the Advisory Board and the Committee.

8. I welcome the fact that the Committee of Financial Experts continues to meet monthly, and, in conjunction with the Board of Supreme Audit, performs detailed follow-up and investigation of recommendations contained in the independent audit reports commissioned by the Advisory Board. In addition, I welcome the fact that a number of audit recommendations have been implemented while the outstanding findings are being closely followed up.

9. Representatives of the Office of the Special Inspector General for Iraq Reconstruction of the United States were invited to the meeting of the Advisory Board and briefed the Board on their recent report of the relevance to the Development Fund. The Board noted that the findings of the Special Inspector General echoed those raised by the Board during 2004-2006, and concluded that there was an urgent need for expeditious implementation of the recommendations of the Special Inspector General.

10. In July 2010, the Controller of the United Nations, Mr. Jun Yamazaki, my designated representative on the Advisory Board, briefed the Security Council on the activities of the Development Fund and the Advisory Board.

11. The next meeting of the Advisory Board, with the participation of the representative of the Committee of Financial Experts, is tentatively scheduled for January 2011.

B. Assessment of the progress of the Government of Iraq in preparing for the successor arrangements for the Development Fund for Iraq

12. In paragraph 4 of Security Council resolution 1905 (2009), the Security Council called upon the Government of Iraq to put in place the necessary action plan and timeline by 1 April 2010 and to ensure the timely and effective transition to a post-Development Fund mechanism by 31 December 2010, that takes into account the standby arrangement requirements of the International Monetary Fund, includes external auditing arrangements and enables Iraq to meet its obligations as established in the provisions of paragraph 21 of Council resolution 1483 (2003).

13. I welcome the third quarterly report of the Government of Iraq to the Security Council pursuant to Security Council resolution 1905 (2009).

14. In its third quarterly report (S/2010/567), the Government of Iraq proposes that

> Immunity for the Development Fund for Iraq should be extended for a further year, ... taking into consideration current conditions in Iraq; the fact that political blocs and entities in Iraq have, as of the time of writing, yet to reach

agreement over the formation of a new Government after the elections that were held on 7 March 2010, which has, in one way or another, affected the ability of Government institutions to promptly and comprehensively implement and meet requirements for the timeline for transition to successor arrangements for the Development Fund for Iraq and the International Advisory and Monitoring Board for Iraq.

In my report S/2010/166 of 1 April 2010, I elaborated, inter alia, on the legal issues relating to the privileges and immunities of the Development Fund for Iraq. In the light of the foregoing, it is for the Council to assess the proposal of the Government of Iraq and its implications of the circumstances described therein.

15. With regard to the outstanding activities under the oil-for-food programme, of the 3,009 letters of credit with an approximate value of $8 billion referenced in the note attached to my letter of 1 May 2009 to the President of the Security Council (S/2009/230), only 63 letters of credit are still outstanding, as at 30 September 2010, with an approximate value of $112 million. As detailed in the note accompanying my letter to the President of the Security Council (S/2007/725), beyond the letters of credit still outstanding as described above, the Secretariat had identified certain beneficiaries who had made claims of delivery prior to the expiry of the letter of credit and whose letters of credit had been cancelled. As mentioned in the note attached to my letter of 1 May 2009 to the President of the Security Council, I believe that, whatever option the Security Council may select for concluding all outstanding issues under the oil-for-food programme, these letters of credit should be treated in the same manner as the 63 letters of credit still outstanding. Therefore, the total number of letters of credit with outstanding claims of delivery as at 30 September 2010 would amount to 66 letters of credit.

16. The Council of Ministers of Iraq has established the ministerial committee to review all of the outstanding letters of credit.

17. In this respect, I wish to recall that on 12 July 2010, in its second briefing to the Security Council pursuant to Security Council resolution 1905 (2009), the Government of Iraq, represented by the head of the Committee of Financial Experts, expressed its readiness to pay 26 outstanding letters of credit under the oil-for-food programme.

18. Separately, on 8 September 2010, the Secretariat received the confirmation that the Government of Iraq is willing to pay an additional six (6) outstanding letters of credit under the oil-for-food programme, resulting in thirty-two (32) letters of credit to be paid.

19. The processing of six (6) out of the thirty-two (32) letters of credit mentioned in paragraph 18 above has been completed as at 30 September 2010. With regard to the remaining twenty-six (26) letters of credit, I am pleased to note that the Government of Iraq has provided the Secretariat with the requisite authentication documents for twenty-three (23) letters of credit.

20. Absent the receipt by the Secretariat of the requisite confirmations of arrival of the remaining letters of credit outside the thirty-two (32) mentioned in paragraph 18 above, the Security Council may wish to consider cancelling those remaining letters of credit that have outstanding claims of delivery.

21. Irrespective of the manner selected by the Security Council for the closing of the oil-for-food programme, the conclusion of all issues outstanding should be subject to the provision by the Government of Iraq of a comprehensive indemnity with regard to all activities of the Organization, its representatives and agents in connection with the programme since its inception and with regard to the funds that have been transferred and will be transferred to the Development Fund for Iraq. I would like to recall that the conclusion of the outstanding activities under the programme should also be subject to the availability of sufficient funds for the Organization to meet the costs and expenses that have been incurred or may be incurred in future in connection with the programme, including the costs and expenses associated with the winding-down of the programme and the costs and expenses arising from the cooperation of the Organization with Member States in respect of investigations and proceedings related to the programme.

22. I would like to conclude by expressing my appreciation to the Government of Iraq for its efforts to implement the action plan as presented in the first report to the Security Council, while also noting the position of the Government of Iraq referred to in paragraph 14 above.

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Report of the Security Council Mission to Afghanistan, 21 to 24 June 2010

I. Summary

1. In a letter dated 16 April 2010, the President of the Security Council informed the Secretary-General of the Council's intention to send a mission to Afghanistan in June 2010. The terms of reference for the mission were subsequently approved by the Council (see annex I to the present report). The mission, led by Ambassador Ertuğrul Apakan, Permanent Representative of Turkey to the United Nations, comprised representatives of all current members of the Security Council: Ambassador Thomas Mayr-Harting (Austria), Deputy Permanent Representative Mirsada Čolaković (Bosnia-Herzegovina), First Secretary Christiano Sávio Barros Figueirôa (Brazil), Ambassador Wang Min (China), Ambassador Gérard Araud (France), Ambassador Alfred Alexis Moungara Moussotsi (Gabon), Ambassador Yukio Takasu (Japan), Ambassador Nawaf Salam (Lebanon), Ambassador Claude Heller (Mexico), Ambassador Raff Bukun-Olu Wole Onemola (Nigeria), Minister Alexander A. Pankin (Russian Federation), Ambassador Ruhakana Rugunda (Uganda), Ambassador Mark Lyall Grant (United Kingdom of Great Britain and Northern Ireland) and Ambassador Susan E. Rice (United States of America). The Permanent Representative of Afghanistan to the United Nations, Ambassador Zahir Tanin, joined the mission for parts of its visit.

2. This was the Council's fourth visit to Afghanistan since 2001, having previously visited in November 2003, November 2006 and November 2008. The mission left New York on 20 June and concluded its work on 24 June. The mission met with the President of Afghanistan, Hâmid Karzai, and members of his Cabinet, including the ministers of Defence, Finance, Foreign Affairs, Reintegration, Education, Social Affairs, Justice and Governance, and acting ministers of Interior, Public Health and the National Directorate for Security. It also met with key Afghan representatives, including the Speaker of the lower house (Wolesi Jirga) of the National Assembly, Yunus Qanooni, and chairs of the steering committees of the lower chamber; the Afghan Independent Human Rights Commissioner; the Independent Election Commission Chairman and Chief Electoral Officers; the Electoral Complaints Commissioners; and civil society organizations, women's activists and opposition leaders. International interlocutors included the Commander of the International Security Assistance Force (ISAF) and the Senior Civilian Representative of the North Atlantic Treaty Organization (NATO); the Office of the Special Representative of the European Union for Afghanistan; members of the

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diplomatic community; and senior staff of the United Nations Assistance Mission in Afghanistan (UNAMA) and the United Nations country team. In Kabul, the mission paid a visit to the NATO Military Training Mission. The mission also visited Jalalabad, and Sheikh Mesri New Township, where it met tribal elders, university students, the Governor and the provincial reconstruction team, as well as members of the United Nations country team engaged with the resettlement camp (see annex II for schedule of meetings).

3. The timing of the mission was significant in the light of the Consultative Peace Jirga held in early June, the preparations for the Kabul Conference on Afghanistan in July, and the forthcoming legislative elections. The mission emphasized the Council's continued support to the people of Afghanistan and the long-term commitment of the international community to stability, reconciliation and reconstruction. In particular, it expressed support for the role of the United Nations in supporting Afghan-led efforts in these areas.

II. Key issues

Security situation

4. The mission noted its concerns at the significant rise in insecurity, especially the trends by insurgent groups towards complex suicide attacks, the near-doubling in the use of improvised explosive devices, indiscriminate attacks on civilians and the high number of targeted political assassinations, all of which threaten to overshadow political advances and which constitute the main obstacle to Afghanistan's stabilization efforts.

5. President Karzai outlined the progress made in developing Afghan security institutions and increasing the operational capacity of the Afghan National Security Forces. In partnership with international forces, the Afghan National Security Forces had started to seize control from the Taliban in strongholds in the south. Intermittent discussions by some international allies over withdrawal, however, created concerns regarding the sustainability of progress. President Karzai highlighted the importance of long-term international commitment and regional cooperation for a secure Afghanistan. High-level dialogue was under way to resolve practical differences and to forge new cooperative relations with neighbouring countries and other States and organizations in the region on both the security and the economic agendas.

6. Parliamentarians echoed the concern that statements declaring the military campaign unsuccessful and calling for international withdrawal risked giving the Afghan people the perception that the Taliban and Al-Qaida were winning. According to legislators, the conflict was having regional implications concerning Pakistan, with the Afghan and Pakistani Taliban now waging war against these two countries. The Speaker of Parliament underscored the critical role of international military support and the need for its continued presence in Afghanistan. He highlighted the importance of a shared understanding among the Afghan Government and its international partners of the nature of insecurity in Afghanistan and its contributing factors.

7. Afghanistan's experience demonstrated that only a combined political and military effort would defeat the armed opposition. One Afghan interlocutor estimated that only 20 per cent of the Taliban were irreconcilable and should be addressed through military pressure. The remaining 80 per cent joined the Taliban

for non-ideological reasons, such as a lack of economic opportunities, intimidation by the Taliban and local Government authorities and mistreatment. That category of armed opposition could be reconciled through a political process.

8. The Minister of Defence acknowledged the increased level of violence and attributed it partly to the introduction of ISAF forces in volatile areas. ISAF interlocutors agreed that security incidents had increased 88 per cent over the past 12 months owing to an increased operational tempo. All sides were agreed that building self-sustaining, capable Afghan security forces remained critical to the successful transition of security responsibility to the Afghan National Security Forces. The prediction for the months ahead was that violence would remain high, with the tipping point expected early next year. Much would depend on the extension of the Government's authority, the steps taken by Pakistan to curb insurgents' freedom of movement, international political and military will and stronger civil-military coordination to stabilize local districts.

International Security Assistance Force and the Afghan National Security Forces

9. Describing the ISAF Campaign Plan, the Commander of ISAF emphasized its focus on the growth and development of the Afghan National Security Forces and highlighted the progress made, noting that the Afghan National Army was ahead of schedule. He stressed that, after having received basic military training, only a limited number of units could be considered battle-ready and that the task of ISAF was to increase the current ratio. Collaboration between ISAF and Afghan security ministries was positive; as at June 2010, 85 per cent of Afghan National Army kandaks were being mentored and 46 per cent of Afghan National Police were being partnered with or mentored by ISAF forces. The Commander documented the 121 "key terrain districts" that were the main focus of joint efforts by ISAF and the Afghan National Security Forces and drew a distinction between these areas and more stable areas where "economy of force" operations were in place.

10. The Commander of ISAF explained that regional command operations in the South were geared towards creating spaces of contiguous security that would enable movement of goods and people. Increasing ISAF and Afghan National Security Forces troop concentrations in Regional Command South remained a priority; 102,000 troops would be stationed there by the end of this year, with an additional increase of 30,000 next year. The forthcoming Kandahar operations would focus on Kandahar City and key surrounding districts. Security operations would focus on building a ring of security around the city through increased checkpoints, increased presence of ISAF, Afghan National Security Forces and Afghan National Police presences and greater prevalence of Afghan National Civil Order Police in and around the city. Political efforts would include greater engagement with traditional leadership structures (shuras), resolving land disputes, improving ISAF contracting methods and increasing electricity supply. Significant and sustainable security improvements would take time, although progress was expected to be quicker within Kandahar City.

11. During its visit to the Kabul military training centre, the mission met with ISAF and Afghan trainers, and observed new Afghan National Army recruits. The mission was told that recruitment had increased, as had the number of instructors and the quality of training, including longer-term professionalization programmes. A key challenge remained the need to strengthen leadership staffing and capacities of

the Afghan National Security Forces, whose growth and development continued to be hampered by high attrition rates and retention challenges. Another key issue was giving due consideration to ethnic balance and a ratio between army and police that best supports security requirements and the transition to giving the Security Forces lead security responsibility. Salary increases were expected to have a positive impact. The Commander of the NATO Training Mission in Afghanistan explained that training programmes stressed quality over quantity and emphasized literacy, with 30,000 members of the Security Forces in some form of educational programme, but noted that only 50 per cent of National Army troops had completed training. He also underlined the importance of having a sufficient number of trainers to meet the needs of the Afghan National Security Forces. With regard to mentoring, ISAF interlocutors noted that 40 per cent of district-level security operations were partnered between ISAF and the Security Forces. Partnering enables better intelligence collection and allows ISAF forces to hold the Security Forces to account.

12. The NATO Senior Civilian Representative described current NATO civilian priorities as stabilization, transition, reconciliation and a comprehensive approach. He pointed to significant improvements at the senior levels of the Afghan and Pakistani authorities, which were yet to be matched at the working level and in institution-to-institution exchange. ISAF commanders explained the current parametres of practical cooperation, which included four Afghanistan-Pakistan border centres staffed by military personnel. They further explained that Al-Qaida maintained a close relationship to the Pakistani Taliban, although a more enduring relationship existed between Al-Qaida and the Haqqani network.

13. ISAF interlocutors referred to a significant reduction of civilian casualties generated by ISAF and the Afghan National Security Forces compared with the same period a year earlier. All operations by special forces were jointly planned with the Afghan Government. Night operations were undertaken to reduce civilian casualties. Of those operations conducted at night, 78 per cent were conducted without a single shot having been fired and only 1.8 per cent resulted in civilian casualties. Afghan commandos, not their ISAF counterparts, were the first to enter houses. Reductions in civilian casualties, however, had yet to produce the desired and corresponding effect of change in Afghan perceptions. The Senior Civilian Representative of NATO noted that reducing civilian casualties was a key priority in NATO's comprehensive approach, together with stronger civil-military coordination in stabilization, transition and reconciliation efforts. Detention remains a sensitive issue for many Afghans, and the importance of transparent transition to Afghan lead could not be overemphasized. Efforts were currently being undertaken to ensure appropriate levels of Afghan participation and stringent Afghan-led review processes for detainees.

14. The Special Representative of the European Union for Afghanistan outlined the complementary efforts of the European Union rule of law and civilian police training mission in 16 provinces, with the active cooperation of the Ministry of Interior, to improve the sustainability of training recruits. The new operation plan of the European Union Police Mission in Afghanistan focused resources on regional training centres and "train-the-trainers" programmes to support more sustainable police development. The lack of parallel development of Afghan corrections and judicial capacity remained a serious concern.

15. The Special Representative of the Secretary-General for Afghanistan highlighted improved civil-military coordination with close cooperation among ISAF, the NATO Senior Civilian Representative and the Special Representative of the European Union. There was a feeling of mutual support among international institutions in Afghanistan and, although each operated under different mandates and priorities, they were working closely to coordinate and deliver coherent messages. Their common goal was to help achieve a stable and prosperous Afghanistan, while remaining respectful of Afghan culture, traditions and sovereignty. Regarding security transition, UNAMA continued to underscore the importance of incorporating governance and development processes, aligned with Afghan national priorities, in assessments and activities, the need for an equitable approach across provinces and transition arrangements adaptable to diverse local needs and conditions.

Reconciliation and reintegration

16. The importance of a comprehensive reconciliation and reintegration strategy reflects the wide consensus that there will be no military solution in Afghanistan in the absence of a political process. The London Conference on Afghanistan, held on 28 January 2010, endorsed a proposal to establish a fund for reintegrating mid-level insurgents, and for the Afghan Government to develop a comprehensive peace and reintegration programme. The head of this programme, Minister Massoom Stanekzai, explained how the initiative provides for the economic reintegration of insurgents and sets out a political reconciliation strategy addressing all levels of the insurgency. Its components include: a package of incentives, such as removal from the United Nations sanctions list or potential exile to a third country, or reconciliation among senior Taliban leaders; direct transitional assistance to individual insurgents for 90 days after their reintegration; district and community-led reintegration packages that benefit entire villages and communities; the establishment of a public work corps and an agricultural conservation corps to create employment opportunities for ex-combatants; and a literacy, vocational training and de-radicalization programme for ex-combatants and disenfranchised youth.

17. The reconciliation agenda was given further momentum by the Consultative Peace Jirga in early June, provided the parametres of and the framework for commencing talks and setting conditions. President Karzai characterized it as an important gathering, based on the Afghan tradition of inclusive decision-making, and stressed the decisive presence of women, with 21 elected secretaries of the 28 committees. Irrespective of some concerns voiced about the participatory nature of the jirga, it seemed that the grassroots was generally satisfied with the outreach efforts. The main recommendations and steps towards an inclusive peace process included the creation of the High Peace Council, a review of detention records, with a view to releasing those in custody without adequate evidence, and the request that the Security Council de-list individuals on the 1267 sanctions list of individuals and entities associated with Al-Qaida and the Taliban, as a concrete confidence-building measure.

18. In the context of the recent visit of the Monitoring Team of the Al-Qaida and Taliban Sanctions Committee, President Karzai requested Security Council assistance with expediting the de-listing process and eventually extending the review process. With 137 names associated with the Taliban on the list and two weeks left prior to the

conclusion of the review, the mission explained that reviews were conducted on a case-by-case basis and guided by the principles of renouncing violence, laying down arms, breaking ties with Al-Qaida and fully respecting the Afghan Constitution. Much would be contingent on the ability of the Government of Afghanistan to promptly provide sufficiently detailed documentation to conclude the review.

19. Afghan legislators were united in emphasizing that peace in Afghanistan could be achieved only through an inclusive political process that should be compatible with the Afghan Constitution and not compromise the achievements of recent years, especially with regard to the status and rights of women, access to education, public health and other basic human rights. This opinion was also shared by interlocutors from the Afghan Independent Human Rights Commission and civil society organizations. Some parliamentarians noted that the Consultative Peace Jirga failed to address how to identify Afghanistan's enemies or how to structure the reconciliation process. It further failed to develop a common approach between Afghanistan and the international community on reconciliation.

20. One legislator suggested that it was now necessary to develop practical and structured frameworks and mechanisms for reconciliation jointly between the Afghan Government, civil society and the international community to reach out to the Taliban and Hezb-e Islami and bring them into the reconciliation mainstream. This could include the convening of an international forum resembling the Bonn Conference, where Afghan representatives, including the Government, civil society, the Taliban, Hizb-e Islami and anti-Taliban forces would negotiate peace under the aegis of the United Nations. The agenda could include such topics as frameworks for reconciliation, resolution of constitutional problems and processes to achieve stability and peace. The conference and its decisions should be Afghan-led and Afghan-owned, with the United Nations and the international community serving as guarantors of agreed conference outcomes.

21. The Special Representative of the Secretary-General reiterated that the reconciliation process itself had to be led by Afghans, but noted that the United Nations looked forward to playing a role in developing confidence-building measures and fostering dialogue among the various actors in Afghanistan. Similarly, he stressed the importance of fostering constructive engagement with regional players and the linkage between regional and national reconciliation efforts.

Elections

22. The months preceding the mission's visit had been marked by an intense debate over the constitutionality of a Presidential decree that questioned the holding of national legislative elections prior to any substantive long-term electoral reform, based on lessons learned from the presidential elections of 2009. Ultimately, there was general consensus that elections should go ahead, as the nomination of 2,677 declared candidates, 400 of which were women, indicated popular demand. Elections were also deemed essential for advancing democratic processes and reinforcing the much-needed legitimacy of Afghan institutions. Agreed implementation guidelines confirmed the change in the Independent Election Commission leadership, the appointment of the two international members of the Electoral Complaints Commission with an effective role and a reinforced guaranteed constitutional quota for women. The major difference with the previously held elections was the primary emphasis of greater Afghan sovereignty and ownership

geared towards better elections and a more transparent process. The international community's main area of support would be in building up credible and independent electoral institutions and balancing the need for capacity-building of the Independent Election Commission with ensuring they were given all the requisite assistance to be operational on the ground.

23. Afghan legislators, civil society representatives and the Chair of the Independent Election Commission all identified electoral security as the greatest challenge for the conduct of elections. Afghan legislators expressed concerns about the capacity of the Government to develop a coherent action plan for the opening of polling centres. With 80 per cent of districts insecure, failure to provide secure polling centres would further undermine public confidence in the freedom and overall legitimacy of elections, in addition to increasing the risks of perceived fraud. Insecurity further limited equal opportunities for electoral candidates to campaign, since many constituencies remained inaccessible, vulnerable to intimidation of the electorate, especially women, and in some areas, to direct threats by the Taliban and Hezb-e Islami towards candidates and their families.

24. The Independent Election Commission stressed the need to secure all polling centres, as only those that could be secured would open on polling day. Securing polling centres was crucial to mitigating the potential for fraud and protecting ballots and ballot boxes. The electoral law gave the Commission the authority to postpone elections in some constituencies, an option that needed to be considered at the right time. In terms of the infrastructure that would be used for polling centres, the Chair of the Commission explained that given Afghanistan's limited infrastructure, there were no alternatives other than to use schools and clinics, while trying to avoid using private facilities.

25. The Chair of the Independent Election Commission remained committed to holding credible elections, and thus far the problems encountered had not been insurmountable, with all deadlines met, the final list of candidates published and the election campaign period declared open. The Commission was committed to the principles of independence, transparency, fairness, inclusiveness and security, and to building on lessons learned from last year's elections. To ensure a level playing field, the Electoral Media Commission, part of the Election Commission had promulgated regulations applying to all candidates and has issued guidelines on private media coverage of the elections.

26. The Independent Election Commission valued the importance of a complaints mechanism for transparent elections and was reassured that the independent Electoral Complaints Commission, with offices in all 34 provinces, was mandated to adjudicate electoral complaints at the provincial level. The Electoral Complaints Commission members described themselves as a quality control mechanism, not running the elections, but certifying the results, which needed to be done relatively swiftly lest the legitimacy of the process be undermined. By their own account, the three Afghan Electoral Complaints Commission commissioners were fully united with their two international counterparts, working together to set up provincial offices and amend Electoral Complaints Commission internal regulations. They had thus far reviewed and adjudicated 428 challenges to the list of candidates. The 34 provincial tribunals gives the Electoral Complaints Commission a better chance of ensuring improved elections according to the principles of law enforcement and

justice, equal access for all, impartiality and close coordination with the Independent Election Commission.

27. The Independent Election Commission outlined the nature of its improved relationship with the United Nations, which was predicated on the understanding that the Independent Election Commission was the sole authority on elections and that the United Nations provided support in the form of technical and operational assistance, with advice provided and no decisions imposed. The Special Representative of the Secretary-General reinforced the message of Afghan leadership. UNAMA and the United Nations Development Programme and the Independent Election Commission jointly engaged to make these better elections than last year by balancing international support with respect for Afghan institutions.

28. The first example of this cooperation coincided with the mission's visit and was related to the ongoing vetting process, which risked seeing very few candidates excluded for their links to illegally armed groups. While the Electoral Complaints Commission had previously been responsible for vetting candidates, with assistance from UNAMA and ISAF, it was acknowledged that this year the Vetting Commission, chaired by the Independent Election Commission, consisted of representatives of the Ministries of Interior and Defence, and the National Directorate of Security. The very low indicative number of candidates to be excluded raised concerns over management of the vetting process, and raised public concerns from civil society and opposition figures. The Special Representative of the Secretary-General, together with the Independent Election Commission, registered dissatisfaction with the process, and together drew this issue to the attention of the President and the competent ministries. As a result, the list was further reviewed and an estimated 32 candidates were excluded.

Governance, rule of law and human rights

29. International interlocutors warned that improvements in governance and service delivery were limited. Interlocutors pointed to corruption as the main factor affecting the confidence of the population in Government. Controlling, reducing and ultimately eliminating private armies remained a priority. Governance objectives revolved around increasing numbers and quality of Afghan Government civil servants. Filling the civil servant staffing chart (*Tashkil*) had been difficult due to insecurity and the lack of economic incentives and numbers remained disappointingly low.

30. President Karzai and his ministers noted the significant strides made in social, economic and development affairs, and highlighted the strengthening of institutional structures and marked improvements in the sectors of rural development, health and education and counter-narcotics. They acknowledged the need for enhanced efforts against poppy cultivation and drug production, trade and consumption, noting that a considerable share of related profits was being channelled to finance the insurgency, terrorism, corruption and criminal activities, including from abroad. Anti-drug issues would be further addressed under regional cooperation agendas. They stressed that counter-narcotics efforts were more successful in the Afghan-led provinces, where local Governments could make better use of controls and incentives. They added that with the build-up of security institutions, governance would follow, and that Afghanistan already rating high on the World Bank list of countries with checks and balances in place. They further countered the criticism of widespread corruption,

much of which was instead attributed to the international community, in a country that is trying to rebuild its structures after 30 years of conflict.

31. The President stated that one of his priorities was governance, which involved building a functioning State that extended throughout the country and ensuring an independent and accountable civil service. The success of the transition to full Afghan sovereignty depended on the extent to which governance could be restructured around a vision shared and articulated with the Afghan people. Given the country's geology and potential for national growth and regional connectivity, this vision is economically feasible. In a country that still ranks 181 out of 182 on the Human Development Index, has the highest infant mortality rate, the second-highest under-five mortality rate and the highest risk of maternal death in the world, clearly much more needs to be done. Afghanistan has the potential to be self-sufficient if it develops its resources effectively and responsibly, and establishes sub-national government that can deliver in practical terms. The Government planned to launch this new vision at the Kabul Conference, which was not a pledging conference but a renewed commitment to the Afghan people and partnership with the international community. This plan, which involves realigning funds behind Afghan priorities, will be practically implemented in a 100-day programme.

32. The mission was further updated on the challenging human rights situation in Afghanistan, which included the issues of violence against women, arbitrary detention and release of prisoners without an adequate legal framework, civilian casualties and a culture of impunity, in addition to little progress in meeting the objectives of the 2005 action plan on peace reconciliation and justice. Long-standing human rights problems associated with dysfunctional governance, entrenched impunity, weak rule of law and justice sector institutions and the marginalization of women pose significant challenges in the immediate and the longer term. UNAMA documented preliminary figures of 968 conflict-related civilian casualties between January and May 2010, up 18 per cent from the same period in 2009. Anti-Government elements remain responsible for the largest proportion of civilian casualties (69 per cent of total civilian casualties) since January. Most civilian casualties were caused by suicide attacks and the indiscriminate use of improvised explosive devices as anti-Government elements continued to carry out attacks in a manner that failed to discriminate between civilian and military targets, or to take adequate precautions to prevent civilian casualties. Tactical directives adopted by ISAF appear to have had a positive impact in reducing the number of civilian casualties.

33. Violence against women and girls, including harmful traditional practices, such as the use of girls in marriage to settle disputes (*baad*), so-called "honour" killings, early and forced marriages and rape, is persistent and widespread. Women's participation in public life remains restricted and the political space for women to advocate for their rights has contracted. Attacks on, threats against and harassment of women in public life, or those working outside the home, often by anti-Government elements, occur frequently and, in most cases, go unpunished. Sexual violence against Afghan women and girls continues to be underreported. The misplaced stigma of sexual violence falling on the victim rather than on the perpetrator, as well as lack of access to any form of justice or remedies for victims, has ensured that sexual violence remains largely unaddressed either by Afghanistan's law enforcement institutions or by Afghan society. The UNAMA

Human Rights Unit was observing all processes, including the drafting of recent legislation, to regulate traditional dispute mechanisms and to advocate for further guarantees on women's rights.

34. Representatives of the Afghan Independent Human Rights Commission highlighted four main areas of concern: a lack of transparency, legitimacy and public support for the Peace Jirga and peace process it initiated; a culture of impunity, which is tolerated by the international community and feeds the insurgency; civilian casualties, especially those perpetrated by anti-Government elements; and the potential for increased displacement owing to security concerns and the lack of income-generating opportunities. The Commission noted that the Government is widely perceived not to take justice issues seriously and that corruption creates mistrust by local communities. It refuted the belief that there is a contradiction between human rights and Afghan culture or religion, insisting that people, even in rural areas, know and want their rights to be respected. However, they noted the importance of the way in which these issues are approached.

35. The Afghan Independent Human Rights Commission called on the Security Council to note that the lack of justice and the impunity for those who committed crimes feeds insecurity. They asked that "spoilers" be thrown out of the system rather than allowing them to exert pressure on the President and influence appointments of senior officials and judges. Representatives of the Agency Coordinating Body for Afghan Relief reiterated that the withdrawal of the international military further fuelled impunity, with undertrained security forces, often linked to warlords as those troops were hurriedly replaced.

36. All civil society representatives highlighted the need for economic opportunities and basic social services, and noted the move from rural to urban areas and the trend towards renewed economic migration from Afghanistan. The Agency Coordinating Body for Afghan Relief pointed out that NGOs work in all 34 provinces and gain access through community acceptance by being inclusive and accountable. It highlighted the need for the Office for the Coordination of Humanitarian Affairs to be present and active throughout Afghanistan.

37. The Afghan Independent Human Rights Commission noted that education served to empower the entire population and, in particular, noted the need for women to access health care and birth control. The Agency Coordinating Body pointed out the effectiveness of microcredit as a means of women's empowerment, but warned that economic development was not enough; political action was also required. The Commission called for positive discrimination to enable women to build their capacity in the workplace and posited that the Taliban would never accept equal rights for women as enshrined in the Constitution. The Agency Coordinating Body pointed out that the Taliban were aware of the importance of education and directed attacks against not only girls' schools but also teachers, students and parents. The Commission noted that of 330 schools closed by the Taliban, 207, or 60 per cent, were girls' schools.

Aid coherence and economic development

38. The Special Representative of the Secretary-General stressed that UNAMA supported the Government's effort to "Afghanize" aid across all three pillars of the Afghan National Development Strategy — security, governance and development — to deliver on its proposed renewed commitment to the Afghan people at the Kabul

Conference. This would be achieved by helping the Government to substantially increase aid flows through the national budget, align aid with its national priorities, improve the effectiveness of off-budget aid and successfully transition to more Afghan control. The Kabul Conference, and the Kabul process it will set in motion, would present, for the first time, a prioritized national agenda for economic development, public finance and administrative reform. This agenda would to be implemented through national priority programmes which, if effectively linked, could provide a framework for a more coherent overall approach and a potential framework for a more targeted and coordinated effort in Afghanistan that could, in turn, shape transition in ways that contribute to prospects for peace.

39. As a potential facilitator of a national-led effort that consolidates and propels these processes, UNAMA, as the co-chair alongside the Government, will engage the Joint Coordination and Monitoring Board as the primary vehicle for creating a framework for all partners to guide, monitor and oversee progress on an agreed vision and priorities. It would seek to promote alignment behind the Government's prioritized agenda and national programmes for governance, economic and social development; support the translation of that prioritized national agenda to provinces and districts; encourage sustained efforts to build Afghan leadership capacity at national and subnational levels; promote and support effective partnerships and enhanced mutual accountability in the implementation of the Kabul process; and promote inclusive engagement of communities and civil society actors in this national effort.

40. UNAMA priorities in this area for 2010 would include: (a) enhanced alignment behind the Government's prioritized development strategy ("the clusters"); (b) greater mutual accountability, including through improved effectiveness of off-budget aid; and (c) greater focus on capacity-building at the national and subnational level. In support of its aid coherence mandate, UNAMA will strengthen its partnership with the European Union Special Representative and the strengthened NATO/ISAF Senior Civilian Representative, as well as the World Bank and the Asian Development Bank, in support of Afghan development priorities.

41. The Special Representative highlighted the appointment of an aid coherence adviser and a realigned aid coherence section in UNAMA. He further added that the comparative advantage of the United Nations in Afghanistan was its large number of agencies and its presence in all 34 provinces. With 21 provincial and regional offices and more than 700 international and 6,000 national staff, the United Nations could support the planned transition of provincial reconstruction teams to civilian control and boost Afghan capacities to lead this transition. The United Nations had been in Afghanistan since the 1960s and would remain there for the long term. The United Nations country team — with 31 agencies, funds and programmes (23 resident, 8 non-resident) and an annual throughput of USD 1 billion — supported the delivery of crucial, tangible services to the Afghan people and worked to build the capacity of the Afghan Government to deliver those services. Only a small number of provinces, primarily those where troop-contributing countries are based, receive the lion's share of funding from bilateral donors. As part of efforts to address this problem, the United Nations Development Assistance Framework for 2010-2013 aimed to align agency work with the priorities set out by the Afghan Government in its National Development Strategy and joint United Nations programmes for under-resourced provinces.

III. Observations

42. The mission took note of the considerable building blocks required to empower the Afghan Government to lead a comprehensive process of transition to greater security, better provision of services and inclusive dialogue, by setting an Afghan-owned and prioritized agenda. The mission was concerned, however, by the increasingly complex security situation in Afghanistan and, in particular, by the increase in violent and terrorist activities by the Taliban, Al-Qaida, illegal armed groups, criminals and those involved in the narcotics trade, which have resulted in threats to the local population, national security forces and international military and civilian personnel. Those activities negatively affected the capacity of the Government to guarantee the rule of law, provide security and basic services to the Afghan people and ensure the improvement and protection of their human rights and fundamental freedoms. The Council was seriously concerned about the increasingly high number of civilian casualties, the large majority of which were caused by the Taliban, Al-Qaida and other extremist groups, and called for all appropriate measures to be taken to ensure the protection of civilians. The Council was also concerned about the protection of children affected by armed conflict.

43. In that connection, the mission reiterated the need for a transparent, credible and democratic process that preserves stability and security throughout the forthcoming electoral period. It recognized the interconnected nature of the challenges in Afghanistan, reaffirming that sustainable progress on security, governance, human rights, the rule of law and development, as well as on the cross-cutting issues of anti-corruption, counter-narcotics and transparency are mutually reinforcing. The mission stressed the importance of a comprehensive approach in addressing the challenges in Afghanistan and noted the synergies in the objectives of the Afghan Government, UNAMA and the international community. The mission stressed the need for strengthened cooperation, coordination and mutual support, taking due consideration of their respective responsibilities.

44. The mission reiterated the importance of increasing the functionality, professionalism and accountability of the Afghan security sector through a comprehensive framework of appropriate vetting procedures, training, mentoring, equipping and empowering both women and men to accelerate progress towards the goal of self-sufficient and ethnically balanced Afghan security forces that will provide security and uphold the rule of law throughout the country. The mission noted requests for the international community to extend its assistance so that the Afghan National Security Forces would be properly armed and equipped, and thereby able to increasingly assume lead responsibility for security in the country.

45. The mission welcomed the Afghan Government's commitment to develop and implement an effective, inclusive, transparent and sustainable national peace and reintegration programme and expressed appreciation for UNAMA's work in supporting the programme. The mission hoped for increased support from the international community to assist the Government in its efforts, including through a peace and reintegration trust fund.

46. The mission further welcomed the Afghan Government's commitment to preventing irregularities and misconduct during, and to ensuring the integrity of, the 2010 national legislative elections, which are of vital importance to Afghanistan's democratic development. The mission hoped that every effort would be made to

ensure the credibility, safety and security of the elections. During its visit, the mission was apprised of the challenges facing the Independent Election Commission and the Electoral Complaints Commission, but recognized the need for those two bodies to effectively perform their functions of preparing and monitoring elections. The Government of Afghanistan would need to work together with UNAMA to ensure that both entities are strong, independent and provide the proper checks and balances required by the Constitution.

47. The mission was concerned by the effects of corruption on security, good governance, counter-narcotics efforts and economic development, and encouraged the Afghan Government, with the assistance of the international community, to enhance its efforts to establish a more effective, accountable and transparent administration. Nonetheless, the mission was heartened that Afghan institutions, including the executive and legislative branches, had begun to cooperate on legislative and public administration reform with a view to ensuring good governance, with full representation of all Afghan women and men, and accountability at both the national and subnational levels, and encouraged further international efforts to provide technical assistance in this area.

48. The mission looked forward to the outcome of the forthcoming Kabul Conference, which would build on the commitments made at the London Conference Afghanistan, held on 28 January 2010, and which presented an important opportunity to improve aid coordination and effectiveness, including by ensuring mutual accountability.

49. The mission stressed its expectation of full respect for human rights and fundamental freedoms and international humanitarian law throughout Afghanistan. During its visit, the mission had the opportunity to observe the work of UNAMA with relevant international and local non-governmental organizations and the Government to monitor the situation of civilians to ensure their protection and promote accountability. These efforts were vital in ensuring the full implementation of the fundamental freedoms and human rights provisions of the Afghan Constitution and international treaties to which Afghanistan is a State party, including those regarding the full enjoyment by women of their human rights. It was important to guarantee access to all Afghan prisons and places of detention, and to ensure respect for relevant international law, including humanitarian law and human rights law. Similarly, it would be important to continue progress in the reconstruction and reform of the prison sector in Afghanistan.

50. The mission appreciated the opportunity to observe the work of the Afghan Independent Human Rights Commission in monitoring respect for human rights in Afghanistan and its efforts to promote the emergence of a pluralistic civil society. It stressed the importance of regional cooperation and dialogue, in particular the initiatives of regional countries in political and economic issues, and was pleased to learn that regional cooperation had become a pillar of Afghan political and security strategies. It encouraged all relevant actors to work with the Commission in support of broad engagement across Government agencies and civil society towards the realization of the mutual commitments made at the London Conference, and those to be made at the Kabul Conference.

51. The mission was encouraged by the work of the United Nations, with the assistance of the international community, in support of the Afghan Government's priorities on the issues of security, governance and economic development and

regional cooperation. It expressed its full support for the three political priorities of UNAMA, elections, reintegration and reconciliation and regional cooperation, and its focus on aid coherence in ensuring that the international community, donors and the contributions of United Nations agencies, funds and programmes alike were realigned behind Afghan Government priorities. It further emphasized the crucial work of UNAMA on human rights. The mission underscored the critical role of UNAMA in assisting the Afghan Government in the transition towards Afghan leadership, including by supporting preparations for the Kabul Conference to be held on 20 July.

52. Finally, the mission expressed its full support for the work of the Secretary-General, his Special Representative and all United Nations personnel in fulfilling their difficult but important tasks and commended their efforts to implement their mandate in Afghanistan. The mission strongly appealed to Member States to provide all necessary human and financial resources to ensure the mission was sufficiently prepared to best deliver on its mandate.

Annex I

Terms of reference of the Security Council mission to Afghanistan

1. To reaffirm the Security Council's continued support for the Government and people of Afghanistan as they rebuild their country, strengthen the foundations of sustainable peace and constitutional democracy and assume their rightful place in the community of nations;

2. To review the progress made by the Afghan Government, with the assistance of the international community, including through capacity-building initiatives, in addressing interconnected challenges in the areas of security, governance, rule of law, human rights, women's rights and empowerment of women, the protection of children affected by armed conflict, economic and social development, regional cooperation and counter-narcotics;

3. To assess the status of implementation of relevant Security Council resolutions, in particular resolutions 1806 (2008), 1868 (2009) and 1917 (2010), as well as of mutual pledges and commitments made by the participants to the London and Istanbul Conferences held in 2010, and looking ahead to the Kabul Conference;

4. To underline the central and impartial role that the United Nations continues to play in promoting peace and stability in Afghanistan by leading the civilian efforts of the international community; to express strong support for the ongoing efforts of the Secretary-General, including in the area of staff security, and of his new Special Representative for Afghanistan; to reiterate the priorities set out by the Security Council in its resolution 1917 (2010); and to display solidarity with the women and men of the United Nations Assistance Mission in Afghanistan (UNAMA);

5. To review the implementation of the key coordinating role assigned to UNAMA and the Special Representative of the Secretary-General by the Security Council in its resolution 1917 (2010), taking into account the need for a comprehensive approach and the principle of reinforcing transition towards Afghan ownership and leadership;

6. To review efforts by the Afghan authorities, in support of an Afghan-led development and stabilization process and, with the assistance of the international community, to address the threat to the security and stability of Afghanistan posed by the Taliban, Al-Qaida, illegal armed groups, criminals and those involved in the narcotics trade and in the diversion of chemical precursors;

7. To reaffirm the importance of the effective implementation of measures and application of the procedures introduced by the Council in its resolutions 1267 (1999), 1822 (2008) and 1904 (2009) and other relevant resolutions, and to express support for the cooperation of the Afghan Government and UNAMA with the relevant Security Council sanctions Committee;

8. To review the humanitarian and development situation in the country, including the efforts to increase the proportion of development aid delivered through the Afghan Government and the role of the provincial reconstruction teams, taking into account development priorities of Afghanistan;

9. To assess the cooperation, coordination and mutual support between UNAMA and the International Security Assistance Force, including on humanitarian and human rights issues and in supporting the electoral process, in accordance with their respective mandates;

10. To assess the status of preparation of legislative elections to be held later this year, as well as their credibility, safety and security;

11. To reaffirm the crucial importance of advancing regional cooperation and dialogue as an effective means to promote governance, security and development in Afghanistan.

Annex II

Schedule of meetings of the Security Council mission to Afghanistan

Monday, 21 June 2010

2130	Arrival in Kabul from Istanbul
2200-2230	Meeting with the Special Representative of the Secretary-General and security briefing

Tuesday, 22 June 2010

0800-0930	Briefing by the United Nations Assistance Mission in Afghanistan and representatives of the United Nations country team
1015-1145	Visit to the Kabul Military Training Centre
1230-1430	Working lunch with Hâmid Karzai, President of the Islamic Republic of Afghanistan
1500-1630	Joint meeting with the Commander of the International Security Assistance Force and the Senior Civilian Representative of the North Atlantic Treaty Organization, briefing on transition
1700-1830	Meeting with Afghan civil society organizations (Afghan Women's Network, Afghan Independent Human Rights Commission, Agency Coordination Body for Afghan Relief, Afghanistan Human Rights and Democracy Organization)
1930-2130	Reception hosted by the Special Representative of the Secretary-General

Wednesday, 23 June 2010

0900-1025	Meeting with the Independent Electoral Commission
1030-1130	Meeting with the Electoral Complaints Commission
1200-1230	Meeting with the European Union Special Representative
1330-1630	Working lunch with the Minister for Foreign Affairs and meeting with cabinet ministers
1700-1815	Meeting with the Speaker of the Wolesi Jirga and the Chairs of two standing committees
1815-1915	Brainstorming session with the Special Representative of the Secretary-General
1930-2200	Dinner hosted by the Ambassador of Turkey

Thursday, 24 June 2010

0730-0800	Travel from Kabul to Jalalabad
0800-0830	Meeting with the Governor of Nangarhar province
0830-1000	Visit to Sheikh Mesri New Township, meetings with elders and students
1020-1100	Meeting with civilian and military personnel of the Jalalabad provincial reconstruction team
1100-1130	Travel from Jalalabad to Kabul
1200-1245	Press conference at the airport
1300-1900	Travel from Kabul to Istanbul
2000-2200	Reception for the mission and Istanbul retreat participants hosted by the Minister for Foreign Affairs of Turkey

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Fourteenth report of the Secretary-General on the implementation of Security Council resolution 1701 (2006)

I. Introduction

1. The present report provides a comprehensive assessment of the implementation of Security Council resolution 1701 (2006) since the previous report of the Secretary-General was issued, on 1 July 2010 (S/2010/352).

2. For the first time since the cessation of hostilities between the parties in August 2006, direct fighting broke out between the Lebanese Armed Forces and the Israel Defense Forces on 3 August, resulting in casualties on both sides. This incident, the most serious to have taken place since the cessation of hostilities, illustrated the fragility of the security environment across the Blue Line and raised the spectre of a serious escalation between the parties.

3. While all parties continue to state their commitment to the full implementation of resolution 1701 (2006), repeated and continuous breaches by the parties of their obligations under the resolution were recorded over the reporting period. No progress was recorded with regard to key obligations under the resolution, including withdrawal from the northern part of Ghajar and the adjacent area, as described in further detail in the present report. There was also no movement from the current state of cessation of hostilities to a permanent ceasefire, as called for in the resolution.

4. Political tension in Lebanon increased markedly during the reporting period, fuelled by speculation and public pronouncements concerning potential indictments to be issued by the Special Tribunal for Lebanon. Against this background, a historic summit among the President of Lebanon, the King of Saudi Arabia and the President of the Syrian Arab Republic, held in Beirut on 31 July, succeeded in lowering tensions, which, unfortunately, have resurfaced in recent weeks. While State institutions, including the Government of National Unity, continue to function, confrontation over the Special Tribunal has led to a deterioration in the political consensus that had prevailed since the formation of the Government in 2009.

5. During the reporting period, Lebanon and the Syrian Arab Republic continued to increase their cooperation. On 18 July, 17 agreements covering security and economic issues were signed during a visit to Damascus by a ministerial delegation from Lebanon headed by Prime Minister Saad Hariri. Some of these agreements directly affect the management of the border between the two countries. Subsequent meetings between President Bashar al-Assad and Prime Minister Hariri took place

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during the trilateral summit with Saudi Arabia in Beirut on 31 July, and later in Damascus on 29 August. It is expected that these contacts will translate into further progress on key aspects that, although pertaining to bilateral relations between the two countries, also have a direct bearing on the full implementation of resolution 1701 (2006).

II. Implementation of resolution 1701 (2006) and other related resolutions

6. On 1 September, the Permanent Representative of Lebanon to the United Nations, in identical letters addressed to the President of the Security Council and to me (A/64/908-S/2010/460), conveyed information about the continued investigations by the security agencies of Lebanon into alleged Israeli spy networks in Lebanon, asserting that they constituted a blatant aggression against Lebanon and its sovereignty. The letter stated, inter alia, that "their existence is contrary to international resolutions, in particular Security Council resolution 1701 (2006), paragraph 5". The letter included a list of names of individuals alleged to have been involved, some of whom have already been tried.

A. Situation in the area of operations of the United Nations Interim Force in Lebanon

7. The situation in the area of operations of the United Nations Interim Force in Lebanon (UNIFIL) was relatively stable during the reporting period, in spite of several significant security incidents. In my letter to the President of the Security Council dated 11 August 2010 recommending the extension of the mandate of UNIFIL (S/2010/430 and Corr.1), I reported on the exchange of fire between the Lebanese Armed Forces and the Israel Defense Forces that occurred on 3 August 2010 in the general vicinity of El Adeisse. Following this incident, the parties reconfirmed their commitment to the cessation of hostilities and the implementation of resolution 1701 (2006).

8. UNIFIL completed its investigation into the 3 August incident and shared the investigation report with the parties in late August. The UNIFIL investigation found that the location of the Israeli tree cutting works and the deployment of Israel Defense Forces troops were approximately 93 metres south of the Blue Line. Lebanese Armed Forces and UNIFIL personnel were deployed along the main road in El Adeisse, which is customarily used, with no objections from the Israel Defense Forces, by the Lebanese Armed Forces, Lebanese civilians and UNIFIL, although it is located some metres south of the Blue Line. As part of its efforts to prevent an escalation of the situation, UNIFIL called on the Lebanese Armed Forces not to open fire and proposed to the Israel Defense Forces to delay work for one day and for UNIFIL to carry out the work. Both parties rejected the proposals of UNIFIL. The Lebanese Armed Forces soldiers were the first to take combat positions, aiming their weapons in the direction of Israeli troops. Immediately thereafter, the Israel Defense Forces soldiers also took up combat positions, aiming their weapons in the direction of the Lebanese troops. The investigation found that the first shot was fired into the air by a Lebanese soldier, which was followed, within seconds, by two additional shots and a burst of fire by other Lebanese Armed Forces soldiers. The

Israel Defense Forces deployed at the location subsequently opened fire in the direction of the Lebanese Armed Forces troops. The Israel Defense Forces fire at the Lebanese Armed Forces, including across the Blue Line, was subsequent to the Lebanese Armed Forces fire directed at the Israel Defense Forces. The exchange of fire lasted approximately three hours, with varying intensity and intermittent lulls. The Lebanese Armed Forces used personal weapons, medium machine guns and, at least on one occasion, a rocket-propelled grenade. The Israel Defense Forces used personal and heavy weapons, tank rounds, artillery rounds and missiles fired from attack helicopters. The investigation found that, in all probability, the Israel Defense Forces officers were hit by aimed fire originating from the general area behind the Lebanese Armed Forces deployment on the El Adeisse road. In the course of the exchange of fire, the Israel Defense Forces fired at Lebanese Armed Forces positions located some distance away from the site of the incident.

9. The UNIFIL investigation concluded that the Lebanese Armed Forces opening fire, which triggered the exchange, constituted a serious violation of resolution 1701 (2006) and a flagrant breach of the cessation of hostilities. The opening fire of the Lebanese Armed Forces and the return fire of the Israel Defense Forces endangered the safety of Lebanese civilians and UNIFIL troops. The parties have since provided their comments on the investigation report to UNIFIL, which the mission has taken into consideration in finalizing the report. The comments have not, however, altered the conclusions of the investigation carried out by UNIFIL.

10. An explosion occurred on 3 September on the first floor of a house on the outskirts of the village of Shahabiye, in Sector West, causing a fire in two rooms of the house and an adjacent garage. The preliminary findings of a UNIFIL investigation confirmed this information. The investigation has not determined the cause of the explosion, as possible evidence was tampered with or removed before the UNIFIL investigation team was allowed access to the incident site. The UNIFIL investigation, which remains ongoing, aims to ascertain whether unauthorized arms and related materiel had been present at the site of the incident and whether the house might have been used for activities that were in contravention of relevant provisions of resolution 1701 (2006). UNIFIL and the Lebanese Armed Forces did not have immediate and unimpeded access to the site in the aftermath of the incident and only in the evening, after a long standoff, which was at times confrontational between the Lebanese Armed Forces and the local people, did they enter part of the premises. At that time and place, they could not detect any evidence of arms or munitions. Throughout the night following the explosion, UNIFIL, in accordance with standard operating procedures and in support of the Lebanese Armed Forces, forming an inner ring, maintained a presence surrounding the area of the site at a distance, forming an outer ring. Nevertheless, the freedom of movement of UNIFIL and the Lebanese Armed Forces in the general area of the incident was obstructed on two occasions by persons in civilian clothes. On the basis of the available information, it is probable that items were removed from other parts of the premises during the night from 3 to 4 September.

11. The Israel Defense Forces continued their occupation of the northern part of the village of Ghajar and an adjacent area north of the Blue Line, in violation of resolution 1701 (2006). Notwithstanding the obligation of Israel to withdraw its forces from the area, UNIFIL has continued to engage both parties in an effort to facilitate such a withdrawal. While discussions have continued on the basis of the proposal of UNIFIL of August 2008, my Special Coordinator for Lebanon and the

UNIFIL Force Commander have begun to explore intermediate steps with the parties that could facilitate the withdrawal of the Israel Defense Forces from this area.

12. Almost daily intrusions into Lebanese airspace by Israel Defense Forces aircraft, mostly unmanned aerial vehicles but also a significant number of fighter jets, continued. These overflights constitute violations of resolution 1701 (2006) and of Lebanese sovereignty. UNIFIL protested all air violations and asked Israel to cease them immediately. The Government of Lebanon also protested the violations, demanding that they cease immediately. The Government of Israel maintained that the overflights were necessary security measures, citing, inter alia, the alleged lack of enforcement of the arms embargo as the reason for their continuation.

13. On 23 July, shots were fired from an Israel Defense Forces position across the Blue Line in the direction of the Lebanese village of Ayta ash-Sha'b (Sector West). The Israel Defense Forces later informed UNIFIL that the shots had been caused by an accidental weapon malfunction. UNIFIL protested this violation of resolution 1701 (2006) to the Israel Defense Forces.

14. On 27 June, a Lebanese shepherd was apprehended by Israel Defense Forces soldiers while accompanying his livestock in the Shaba' Farms area close to the Blue Line. The shepherd was released the following day at the Ra's Naqoura crossing point to UNIFIL, which in turn handed him over to the Lebanese authorities. The UNIFIL investigation concluded that, on the basis of all available evidence, the shepherd had crossed the Blue Line, in violation of resolution 1701 (2006).

15. There were other mostly inadvertent ground violations of the Blue Line, primarily by shepherds and farmers tending livestock or working in their fields, as well as civilians swimming across the Hasbani River, to the south of Ghajar. The Lebanese Armed Forces reinforced their presence in the Hasbani area and worked closely with UNIFIL to give advice to local residents and visitors on the location of the Blue Line, leading to a decrease in such violations and a reduction of tensions in the area. On a number of occasions, UNIFIL observed civilians throwing stones at the Israeli technical fence in the general area of Kafr Kila. Lebanese Armed Forces and UNIFIL personnel worked closely to curb all such activities, which escalate tensions along the Blue Line.

16. Thus far, the parties have agreed to visibly mark the Blue Line in five sectors, for a total of 38 kilometres. The visible marking of the Blue Line requires the clearance of minefields and the disposal of unexploded ordnance in order to create safe access for measuring the coordinates and constructing Blue Line markers. In the five current sectors, 49 markers are in place out of an estimated total of 171. UNIFIL deminers have cleared access to 129 points to be marked. Following delays in recent months due to contentious points within existing marking sectors, both parties signalled their readiness to engage in the process with pragmatism and flexibility. As a result, the Force Commander chaired on 18 August a special tripartite meeting dedicated to the process of visibly marking the Blue Line. Ways in which the technical aspects of the process could be accelerated were discussed at the meeting. The parties also reaffirmed that they would respect the Blue Line as identified by the United Nations in 2000.

17. Progress on the first stage of the Lebanese Armed Forces Blue Line road project, which is supported by UNIFIL engineering assets, continues apace. Construction of 6 of the planned 11 road links has been completed and work on the seventh has commenced.

18. During the reporting period, there were cases of pointing of weapons across the Blue Line between Lebanese Armed Forces and Israel Defense Forces soldiers, as well as aggressive behaviour, verbal abuse and threatening gestures involving both military personnel and civilians. When possible, UNIFIL interposed itself between Lebanese Armed Forces and Israel Defense Forces soldiers, seeking to reduce tensions, and protested such behaviour.

19. As called for in Security Council resolutions, efforts between UNIFIL and the Lebanese Armed Forces to expand their coordinated activities and enhance their cooperation were ongoing. The two Forces maintained their respective installations and continued their respective daily operational activities, comprising patrols and manning of checkpoints and observation points, and UNIFIL continued its helicopter patrols. The Lebanese Armed Forces and UNIFIL also continued their joint operational activities, including an average of 15 counter-rocket-launching operations during each 24-hour period and three daily coordinated foot patrols along the Blue Line, and operated 16 co-located checkpoints, 6 of which are on the Litani River. At the beginning of August, the Lebanese Armed Forces increased their deployment level in the UNIFIL area of operations from three to four brigades.

20. Since my previous report, UNIFIL and the Lebanese Armed Forces conducted four joint firing capability exercises, including one live artillery firing exercise, and one casualty evacuation. In addition to training for specific skills, the exercises are aimed at strengthening liaison mechanisms and operational standards of the two Forces. Training activities between the Maritime Task Force and the Lebanese naval forces continued at sea and on land throughout the reporting period.

21. I reported on the incidents that occurred during the UNIFIL maximum strength deployment exercise on 28 and 29 June and the denial of freedom of movement of a UNIFIL patrol on 3 July in the vicinity of the village of Tulin (Sector West) in my 11 August letter to the President of the Security Council (S/2010/430 and Corr.1). The UNIFIL investigation into the 3 July incident concluded that the manner in which Lebanese civilians restricted the freedom of movement of UNIFIL seemed to point to the organized and coordinated nature of the incident. The repeated denial of freedom of movement of UNIFIL, the subsequent assault on UNIFIL personnel and vehicles and the stealing of weapons on 3 July, all of which prevented UNIFIL from discharging its duties and responsibilities in its area of operations, was in violation of resolutions 1701 (2006) and 1773 (2007). The Security Council issued a statement deploring the incident of 3 July and the UNIFIL Force Commander held meetings with the Lebanese political and military leadership, as well as with local municipal leaders and authorities; in addition, he addressed an open letter to the communities in the UNIFIL area of operations. The Government of Lebanon issued a public statement supporting UNIFIL and the Force Commander received assurances that UNIFIL would continue to enjoy unimpeded freedom of movement in its area of operations.

22. In addition to the obstruction of the freedom of movement of UNIFIL on 28 and 29 June, 3 July and 3 September mentioned above, stone throwing by civilians on 14 September in the vicinity of Jibal al-Butm caused minor damage to several UNIFIL patrol vehicles. Except with regard to these incidents, UNIFIL generally exercised freedom of movement throughout its area of operations, carrying out approximately 10,000 patrols each month, and the attitude of the local communities towards UNIFIL remained predominately positive.

23. The Civil Affairs Office and the Civil-Military Coordination Unit maintained close contact with local communities, seeking to resolve any issues that could give rise to problems and to mitigate the effects of the significant operational activities of the Force on the daily lives of local residents. The provision of humanitarian, infrastructure, capacity-building and vocational-training support through the activities of troop-contributing countries and projects funded from the UNIFIL budget continued to further boost relations between UNIFIL and the local population.

24. UNIFIL continued to provide assistance to the Lebanese Armed Forces in taking steps towards the establishment between the Blue Line and the Litani River of an area free of any armed personnel, assets and weapons other than those of the Government of Lebanon and of UNIFIL, in accordance with resolution 1701 (2006). This remains a long-term objective.

25. The Government of Israel maintains that Hizbullah is continuing to build up its military presence and capacity, including within the UNIFIL area of operations. It claims that the incident in Shahabiye on 3 September was caused by the explosion of a Hizbullah weapons depot, confirming its allegations that Hizbullah is storing and maintaining weapons in villages south of the Litani River in contravention of resolution 1701 (2006). Israel also charges that Hizbullah maintains military positions and units inside populated areas in southern Lebanon. It also alleges that unauthorized weapons are being transferred into Lebanon, including into the UNIFIL area of operations.

26. In cooperation with the Lebanese Armed Forces, UNIFIL immediately investigates any claim regarding the illegal presence of armed personnel or weapons in its area of operations if specific information is received. UNIFIL remains determined to act with all means available within its mandate and to the full extent provided for in its rules of engagement. However, under its mandate, UNIFIL cannot search private houses and properties unless there is credible evidence of a violation of resolution 1701 (2006), including an imminent threat of hostile activity emanating from that specific location. To date, UNIFIL has neither been provided with, nor found, evidence of the unauthorized transfer of arms into its area of operations. The Lebanese Armed Forces Command reconfirmed that it will act immediately on receiving evidence of unauthorized armed personnel or weapons in the area and put a stop to any illegal activity in contravention of resolution 1701 (2006) and relevant Government decisions, specifically those concerning the illegal presence of armed personnel and weapons south of the Litani River. Furthermore, UNIFIL has routinely checked previously discovered former facilities of armed elements in the area of operations, including bunkers and caves, but has found no indication that they had been reactivated and no evidence of new military infrastructure in its area of operations.

27. While there were no incidents of this nature during the reporting period, rocket attacks carried out from the UNIFIL area of operations, attacks with explosive devices against UNIFIL and discoveries of weapons, ammunitions and related materiel have demonstrated the presence of weapons and hostile armed elements ready to use them in the area south of the Litani River. The Lebanese Armed Forces and UNIFIL continued to take coordinated measures aimed specifically at ensuring that there were no armed elements in the area and preventing the possible unauthorized transfer of weapons into the area south of the Litani River.

28. UNIFIL encountered no unauthorized armed personnel in the area of operations during the reporting period other than individuals armed with hunting rifles, who were engaged in hunting activities. The Lebanese Armed Forces and UNIFIL continued to take action to curb all hunting activities and the Lebanese Armed Forces detained a number of individuals and confiscated their weapons. In addition, armed persons and weapons were present inside Palestinian refugee camps in the area of operations.

29. The Maritime Task Force continued to carry out its dual mandate of conducting maritime interdiction operations in the area of maritime operations and training the Lebanese naval forces. The Lebanese navy continued to contribute successfully to the maritime operations by hailing vessels approaching Lebanese ports and by compiling a recognized local maritime surface picture over the territorial waters with the assistance of the Coastal Radar Organization. Since its inception in October 2006, the Maritime Task Force has hailed and queried 33,603 vessels. Between the date of my previous report and 15 October, an additional 96 inspections were carried out on vessels identified as suspicious. Lebanese navy and customs officials inspected the vessels to verify that there were no unauthorized arms or related materiel on board and cleared all of them. During combined maritime interdiction operation exercises, Lebanese navy personnel continued to demonstrate their increasing ability to conduct such operations and to control Lebanese territorial waters through the use of the coastal radars. However, as reported previously, Lebanese navy maritime operations remain restricted owing to the lack of an adequate number of vessels, including vessels that can operate in bad weather conditions.

30. Incidents along the line of buoys continued to occur several times a week, with Israel Defense Forces navy units dropping depth charges and firing flares and warning shots along the buoy line. The Israel Defense Forces stated that these were security measures employed as a matter of procedure when Lebanese fishing vessels approached the line of buoys. UNIFIL, however, has no mandate to monitor the line of buoys, which the Government of Israel installed unilaterally and which the Government of Lebanon does not recognize. Both parties raised in the tripartite forum the need for a security mechanism to prevent incidents from occurring in the area of the buoy line. UNIFIL stands ready to assist if the parties agree on how to proceed.

B. Security and liaison arrangements

31. Tripartite meetings remained a critical forum for regular liaison and coordination between UNIFIL and the parties and the principal mechanism for addressing security and military operational issues related to the implementation of resolution 1701 (2006). During regular tripartite meetings, which were attended by senior representatives of the Lebanese Armed Forces and the Israel Defense Forces and chaired by the UNIFIL Force Commander, security and military operational issues related to the implementation of resolution 1701 (2006) were addressed and UNIFIL investigations into incidents and violations of the resolution were discussed. In addition to the regular meetings, the forum held one extraordinary meeting on 4 August following the 3 August exchange of fire incident. At the extraordinary meeting, the parties discussed initiatives to ensure that the incident remained an isolated one and reaffirmed their commitment to the implementation of resolution 1701 (2006).

32. On 21 September, the Lebanese Council of Ministers endorsed the proposed strategic dialogue mechanism between UNIFIL and the Lebanese Armed Forces with its approval of the proposal put forward by the Ministry of Defence for the establishment of a permanent coordination committee with UNIFIL. The permanent coordination committee was granted the authority to seek assistance as necessary from officials in ministries, public administration and institutes. Prior to this decision, UNIFIL and the Lebanese Armed Forces held preliminary meetings at the operational level focusing on how to further reinforce cooperation between the Lebanese Armed Forces and UNIFIL deployments south of the Litani River. In line with the recommendation of the technical review carried out jointly by the Department of Peacekeeping Operations and UNIFIL, the new, formalized strategic dialogue mechanism is aimed at carrying out analyses of ground forces and maritime assets and setting a series of benchmarks reflecting the correlation between the capacities and responsibilities of UNIFIL vis-à-vis those of the Lebanese Armed Forces, with a view to identifying Lebanese Armed Forces requirements for the accomplishment of tasks mandated in resolution 1701 (2006). UNIFIL will seek to engage the permanent coordination committee, as well as the Lebanese Armed Forces operational committee, at the earliest opportunity, with a view to taking forward the strategic dialogue at both levels.

33. In addition, UNIFIL and the Lebanese Armed Forces maintained their regular interaction at the operational and tactical levels. This included daily liaison at relevant levels, including through the placement of Lebanese Armed Forces liaison officers at UNIFIL Force Headquarters and at the sector level, and a UNIFIL liaison officer at Lebanese Armed Forces headquarters for the South Litani Sector in Tyre.

34. UNIFIL and the Israel Defense Forces also maintained regular and efficient liaison and coordination. The UNIFIL Force Commander maintained effective relations with his Israel Defense Forces counterparts and other senior Israeli authorities. UNIFIL continued to place liaison officers at the Israel Defense Forces Northern Command headquarters. No progress has been made in establishing a UNIFIL office in Tel Aviv.

C. Disarming armed groups

35. Security Council resolution 1701 (2006) calls for the full implementation of the relevant provisions of the Taif Accords, and of resolutions 1559 (2004) and 1680 (2006) which require the disarmament of all armed groups in Lebanon so that there will be no weapons or authority in Lebanon other than that of the Lebanese State. However, Lebanese and non-Lebanese militias continue to operate in Lebanon outside the control of the State, in violation of resolutions 1559 (2004) and 1701 (2006). Hizbullah, which remains the most significant armed group in Lebanon, continues to maintain substantial military capabilities outside the control of the State and I continue to receive reports asserting that it has substantially upgraded and expanded its military arsenal. Hizbullah leaders do not deny these allegations, having repeatedly claimed in public that their organization possesses significant military means, which they claim will only be used for defensive purposes. This remains a central issue of contention in the political debate in Lebanon.

36. On 24 August, heavy armed clashes erupted between supporters of Hizbullah and the Association of Islamic Charitable Projects (Al-Ahbash), a Sunni group that

is a political ally of the opposition, in the Beirut neighbourhood of Burj Abi-Haider. The clashes, which resulted in the deaths of three people, including a senior Hizbullah official, rapidly spilled over to adjacent neighbourhoods in Beirut and continued for several hours. The use of machine guns and rocket-propelled grenades in the fighting provided a stark reminder of the widespread proliferation of weapons in Lebanon and the risk this poses to the maintenance of domestic stability.

37. The presence of Palestinian armed groups outside the camps continues to challenge the ability of Lebanon to exercise full sovereignty over its territory. This was further illustrated by the statement made on 31 August by Ahmad Jibril, the leader of the Popular Front for the Liberation of Palestine-General Command (PFLP-GC), to the effect that his organization would not hand over its weapons to the Lebanese authorities. I have called upon the Government of Lebanon to dismantle the PFLP-GC and Fatah al-Intifada military bases, and on the Government of the Syrian Arab Republic to cooperate with these efforts. Regrettably, there has been no progress during the reporting period towards the disarming of such groups, as called for by Lebanese leaders at the Committee of National Dialogue session of 2006 and reaffirmed in subsequent sessions of the national dialogue since 2008 and the Ministerial Statement of November 2009.

38. On 13 August, Abd al-Rahman Awad, the alleged leader of Fateh al-Islam in Lebanon, and his deputy reportedly died in a confrontation with the Lebanese Armed Forces in the Bekaa Valley while attempting to flee Lebanon. Awad had been sentenced in absentia in relation to a number of bomb attacks and killings over the past three years. According to Lebanese security officials, he recently had been in hiding in Ain al-Hilweh camp, near Saida.

39. The security situation inside the Palestinian refugee camps has been generally calm during the reporting period, with only a few incidents reported, thanks to increased cooperation on security issues between Palestinian factions and Lebanese security agencies. On 7 September, tensions rose in Ain al-Hilweh camp when a group believed to have sympathies for Al-Qaida publicly threatened to assassinate a local Fatah leader responsible for security cooperation with Lebanese authorities.

40. Addressing the dismal living conditions of Palestinian refugees in Lebanon would have a positive impact on the security situation within the camps and would reduce potential security threats to Lebanon as a whole. This much needed improvement in the living conditions of Palestinian refugees in Lebanon would, of course, be without prejudice to a resolution of the Palestinian refugee question in the context of a comprehensive Arab-Israeli peace agreement. On 17 August, the Parliament of Lebanon adopted significant amendments to the Labour Code and the Social Security Law which should improve access to the private sector labour market by Palestinian refugees in Lebanon. The United Nations welcomed these decisions as a step in the right direction and looks forward to their effective implementation.

41. It is important that the disarmament of armed groups in Lebanon be achieved through a Lebanese-led political process. In this connection, on 19 August President Sleiman chaired a new session of the Committee of National Dialogue, during which participants heard and debated a presentation on a future national defence strategy and agreed to continue studying the strategy on the basis of the proposals presented so far and those expected to be presented by participants. Participants further reaffirmed the importance of national consensus and the consolidation of

political and security stability in the country. They committed themselves to the decisions that had been approved by previous sessions of the Committee of National Dialogue, in particular those related to the disarmament of Palestinian groups outside the camps. They agreed to reconvene on 4 November 2010.

42. A total of seven proposals on a national defence strategy have been presented by participants in the national dialogue since it reconvened in 2008. Four of these proposals were made public by their authors. The representatives of Hizbullah and the Future Movement have not yet presented their proposals. The proposals currently in the public domain reflect areas of convergence, but also reveal considerably different perceptions of the threats faced by Lebanon and strategic options to counter these. A committee of experts, composed of representatives of the participants in the Committee of National Dialogue, was established in 2009 and mandated to find common ground among the proposals presented by participants. To date, not all participants have nominated their representatives to this committee of experts. I encourage the committee to meet regularly and make progress in its work.

43. The national dialogue has proved to be an important mechanism for consensus-building among Lebanese leaders and for the maintenance of domestic stability. In spite of the differences that still stand in the way of an agreement on a national defence strategy in the short term, participants in the national dialogue have agreed on the importance of ensuring the full implementation of the Taif Accords and have proposed a number of reform initiatives that they regard as essential for further progress on the national defence strategy. I encourage participants to remain focused on the development of such a strategy that will address the relationship between the armed groups and the State, with a view to completing the disarmament of armed militias, as called for by resolutions 1559 (2004) and 1701 (2006).

D. Arms embargo

44. In resolution 1701 (2006), the Security Council decided that all States shall take measures to prevent the sale or supply of arms and related materiel to entities or individuals in Lebanon by their nationals or from their territories using their flag vessels or aircraft. The Council also called upon the Government of Lebanon to secure its borders and other entry points so as to prevent the entry of arms and related materiel without its consent.

45. During the reporting period, the Government of Lebanon did not report any breach of the arms embargo imposed by resolution 1701 (2006). For its part, the Government of Israel continues to allege that Hizbullah continues to rebuild its armament. According to the Government of Israel, Hizbullah remains in possession of more than 55,000 missiles and rockets, even as the organization seeks to acquire even more advanced weapons. During a recent visit by my Special Coordinator for Lebanon to Israel, the Government of Israel conveyed to him allegations of breaches of the arms embargo across the border between Lebanon and the Syrian Arab Republic. Although the United Nations takes these allegations seriously, it is not in a position to verify this information independently.

46. The Government of Lebanon has continued to make progress in developing a national strategy for the management of its land borders. The National Coordinator appointed in March to oversee the development of such a strategy submitted a draft to the Prime Minister in August. The Prime Minister is in the process of reviewing

this draft before presenting it to the Cabinet for approval. The draft strategy will address the upgrading and modernization of legal crossing points between Lebanon and the Syrian Arab Republic, including the opening of a new legal crossing point, which would bring the total number to six, reflecting agreements signed between the two Governments in July. It will also address the issues of control of the land border by dedicated units of the Lebanese Armed Forces and socio-economic development of border areas. With regard to control of the land border, the Commander of the Lebanese Armed Forces informed my Special Coordinator that the army is ready to take on these new tasks through the deployment of three border regiments composed of dedicated units, but noted that this will require additional equipment and infrastructure development. In this connection, my Special Coordinator is in close contact with ambassadors from donor countries, which remain committed to supporting the implementation of the border strategy once it is adopted.

47. On the ground, the Common Border Force, comprising around 700 staff from the four security agencies in Lebanon (Armed Forces, Internal Security, General Security and Customs), continues its operations along the northern border with the Syrian Arab Republic. On the eastern border the Lebanese army continues to deploy around 600 troops and the Internal Security Forces around 200 personnel, along a stretch of 80 kilometres immediately adjacent to the area of operations of the existing Common Border Force, up to Arsal. The Lebanese Armed Forces are currently planning the deployment of a third border regiment that would operate between Arsal and Masn'a.

48. In identical letters dated 13 October from the Deputy Permanent Representative of Israel to the United Nations addressed to the Under-Secretary-General for Political Affairs and the Under-Secretary-General for Peacekeeping Operations, the Government of Israel asserts that the relevant parties have not taken meaningful action to combat illegal weapons transfer in spite of the efforts by the Secretary-General and donor countries to tackle this issue in an operative manner.

49. The Lebanese authorities deem cooperation with their Syrian counterparts with regard to the management of the border, in particular as it relates to security issues, as satisfactory. At the same time, the effective management of the border continues to be adversely affected by the fact that it is neither delineated nor demarcated, and by the continued presence of Palestinian military bases that straddle the border between the two countries.

E. Landmines and cluster bombs

50. The Lebanese Mine Action Centre continues to coordinate humanitarian clearance operations in southern Lebanon through the Regional Mine Action Centre in Nabatiye. The United Nations Mine Action Coordination Centre continues to liaise between UNIFIL and the Regional Centre in respect of operations, accreditation and quality assurance. During the reporting period, three additional cluster bomb strike locations were identified and recorded for a total to date of 1,124.

51. Since the end of the conflict in August 2006, the number of incidents among civilians has reached 286, consisting of 30 fatalities and 256 injuries, while accidents among demining personnel resulting from clearance activities remain at 60, with 14 fatalities and 46 injuries.

F. Delineation of borders

52. The Security Council, as recalled in paragraph 10 of resolution 1701 (2006), in paragraph 4 of resolution 1680 (2006) strongly encouraged the Government of the Syrian Arab Republic to respond positively to the request by the Government of Lebanon to delineate their common border. Following the meetings between the President of the Syrian Arab Republic and the Prime Minister of Lebanon in Damascus on 18 and 19 July, there appears to be a renewed consensus on the need to proceed with this delineation. This consensus reaffirms the commitments that were reflected in the outcome of the summit meetings between President Assad and President Sleiman in August 2008 and in June 2010.

53. No progress was recorded on the issue of the Shab'a Farms area during the reporting period. In spite of my repeated requests, I have not received any response from Israel, which continues to occupy the area, or from the Syrian Arab Republic to the provisional definition of the area contained in my report on the implementation of resolution 1701 (2006) issued on 30 October 2007 (S/2007/641). Syrian officials have continued to affirm their recognition that the Shab'a Farms area is Lebanese, but insist that Israel must withdraw from the Shab'a Farms before the border can be delineated in that area.

III. Security and safety of the United Nations Interim Force in Lebanon

54. The safety and security of UNIFIL staff remains a priority. Notwithstanding the obligation of all parties to ensure the safety and security of UNIFIL and the responsibility of the Government of Lebanon for maintaining law and order, UNIFIL continued to apply risk-mitigating measures for its personnel, assets and installations while ensuring mandate implementation. UNIFIL continued to receive security threats during the reporting period. UNIFIL and the Lebanese authorities and the Lebanese Armed Forces continued their cooperation and joint efforts to ensure that security threats to UNIFIL are addressed appropriately.

55. UNIFIL continued to monitor four cases in the Lebanese military court against individuals accused of forming armed groups to carry out attacks against UNIFIL. On 10 August, two individuals were convicted and sentenced to one and three years of imprisonment, respectively, for their involvement in the attack against a UNIFIL vehicle north of Saida on 8 January 2008. Another 22 defendants are currently being tried in the three remaining cases. As mentioned in paragraph 38 above, the alleged leader of Fateh al-Islam in Lebanon reportedly was killed on 13 August. Awad was suspected of being involved in the majority of the attacks planned and executed against UNIFIL and the Lebanese Armed Forces.

IV. Deployment of the United Nations Interim Force in Lebanon

56. As at 15 October 2010, the total military strength of UNIFIL was 11,877, of whom 465 were women. The mission has 328 international and 651 national civilian staff members, of whom 92 and 165, respectively, are women. UNIFIL is also supported by 54 United Nations Truce Supervision Organization military observers of the Observer Group Lebanon, none of whom are women. A Sri Lankan Force

Protection Company, Cambodian Engineering Company and a Tanzanian Military Police Company are scheduled to arrive in November. The implementation of the recommendations of the joint technical review, including the recommended adjustments to the force structure, assets and requirements, is ongoing.

57. Despite Italy having extended its leadership of the Maritime Task Force until 31 August, it has not been possible to identify a successor. Until a lead nation comes forward, the Maritime Task Force is temporarily carrying out its mandate under an onshore command with operational control being held by the Force Commander. This is a short-term contingency measure. The future leadership of the Maritime Task Force, be it with a flagship at sea or under the temporary onshore arrangement, remains of concern. As I stated in my letter to the Security Council referred to above (S/2010/430 and Corr.1), in order for the UNIFIL Maritime Task Force to continue to carry out its dual-mandated role — to help the Lebanese navy prevent the unauthorized entry of arms or related material by sea into Lebanon by carrying out maritime interdiction operations and to provide training for the country's naval personnel — the necessary maritime assets and leadership must be forthcoming. The current strength of the Maritime Task Force is seven vessels, composed of two frigates, one corvette, three patrol boats and one supply vessel, complemented by one helicopter.

V. Observations

58. Overall, the events during this reporting period suggest a deterioration in the situation in Lebanon. I have expressed my deep concern at the exchange of fire between the Lebanese Armed Forces and the Israel Defense Forces that occurred on 3 August, in which lives were lost on both sides. I urge the parties to do everything in their power to ensure that this incident remains an isolated one, and to cooperate closely with UNIFIL in its efforts to prevent such an event from recurring. I am encouraged that the parties have reconfirmed their commitment to resolution 1701 (2006) and call on them to fully respect the cessation of hostilities and the Blue Line in its entirety.

59. I wish to recall that the identification of the Blue Line in 2000 was solely the responsibility of the United Nations for the practical purpose of confirming the withdrawal of the Israel Defense Forces from Lebanon in compliance with resolution 425 (1978), without prejudice to future border agreements. Both sides, despite their respective reservations in 2000, undertook to respect the Blue Line as identified by the United Nations. I again urge both parties to do their utmost to prevent violations of the Blue Line, to act with maximum restraint and to refrain from taking any measures close to the Blue Line that could lead to misunderstandings or be perceived by the other side as provocative. The Blue Line must be respected in its entirety.

60. Notwithstanding the new strategic environment and the relative stability prevailing in southern Lebanon that UNIFIL has helped to establish, in cooperation with the Lebanese Armed Forces, the situation continues to be volatile and more work remains to be done by the parties to advance the full implementation of resolution 1701 (2006). Long-term sustained efforts are required to ensure that the area between the Blue Line and the Litani River is free of any armed personnel,

assets and weapons other than those of the Government of Lebanon and of UNIFIL, in accordance with resolution 1701 (2006).

61. I deem it a priority to resolve the issue of the continued occupation by the Israel Defense Forces of the northern part of Ghajar and the adjacent area north of the Blue Line. I urge Israel to withdraw its forces in accordance with resolution 1701 (2006), without further delay. UNIFIL stands ready to facilitate such a withdrawal. I look forward to a successful outcome of the ongoing discussions referred to in paragraph 11 above, which could help to revive momentum for broader implementation of resolution 1701 (2006).

62. I am concerned about the fact that the Israel Defense Forces continue to violate resolution 1701 (2006) and Lebanese sovereignty on an almost daily basis through overflights of Lebanese territory. These overflights exacerbate tensions in southern Lebanon. They also have a negative impact on the credibility of the Lebanese Armed Forces and UNIFIL. I call once again on Israel to respect Lebanon's sovereignty by ceasing immediately all overflights of Lebanese territory.

63. As UNIFIL's strategic partner, the Lebanese Armed Forces play a key role in the implementation of resolution 1701 (2006). I welcome the deployment in late July 2010 of an additional brigade of the Lebanese Armed Forces in southern Lebanon. I also welcome the endorsement by the Government of Lebanon of the implementation of the strategic dialogue mechanism between UNIFIL and the Lebanese Armed Forces. I encourage UNIFIL and the Lebanese Armed Forces to launch this new strategic dialogue mechanism at the earliest opportunity.

64. The Lebanese Armed Forces have continued to act with strong commitment and resolve, and their capacity has been gradually strengthened with the assistance of international donors. I am grateful to those countries that are helping to equip and train the Lebanese Armed Forces, including the navy, and I urge the international community to continue this critically required support to Lebanese Armed Forces capacity-building. Such support is essential if the Lebanese Armed Forces are to be able to assume effective responsibility for security over the UNIFIL area of operations and the maritime entry points into Lebanon in the future.

65. I am concerned about the incidents in the reporting period that impeded the freedom of movement of UNIFIL and endangered UNIFIL peacekeepers. The freedom of movement of UNIFIL and the security and safety of its personnel are integral to the effective execution of its tasks, in accordance with resolutions 1701 (2006) and 1773 (2007). The primary responsibility for ensuring freedom of movement to UNIFIL personnel in the area of operations lies with the Lebanese authorities.

66. I am grateful to all troop-contributing countries for their continued commitment to UNIFIL and to the implementation of resolution 1701 (2006). I also wish to commend the UNIFIL Head of Mission and Force Commander and all the military and civilian personnel of UNIFIL who continue to play a critical role in helping to promote peace and stability in southern Lebanon, as well as the Special Coordinator for Lebanon and the staff of his Office.

67. The maintenance of domestic stability in Lebanon is required for the Government of National Unity to carry out the measures outlined in its Ministerial Statement that aim at strengthening the authority of the Lebanese State, in accordance with resolution 1701 (2006) and other relevant Security Council

resolutions. In this connection, I am concerned by the marked rise of political tension in Lebanon and by the recent challenges to the authority of State institutions by representatives of Hizbullah and some of its allies. I appreciate the efforts of Saudi Arabia and the Syrian Arab Republic to support the Government of Lebanon in preserving domestic stability, and hope that such constructive efforts will continue. I call upon Lebanese leaders to continue to work towards preventing a political crisis that some in Lebanon fear could erupt into violence.

68. I remain deeply concerned by the widespread proliferation of weapons in Lebanon. This has been confirmed by Government authorities and corroborated by the speed with which the armed confrontation of 24 August in Beirut between supporters of Hizbullah and Al-Ahbash spread within the city. I call upon Lebanese leaders to take all possible measures to prevent the use of weapons by their supporters, which directly contravenes Security Council resolutions 1559 (2004) and 1701 (2006).

69. The presence of armed groups in Lebanon operating outside the control of the State poses a challenge to the ability of the State to exercise its full sovereignty and control over its territory, and violates resolution 1701 (2006). I continue to believe that the disarmament of armed groups should be carried out through a Lebanese-led political process that would result in bringing all arms under the control of the State. In this connection, I welcome the fact that the Committee of National Dialogue has continued to meet. I recognize that this mechanism provides a necessary platform to promote national unity and to generate consensus on key issues of national concern. Yet, I encourage participants to make further progress towards the establishment of a national defence strategy that would address armed groups operating outside the control of the State. I believe it is essential that Lebanese leaders, acting under the direction of their President, sustain their efforts in this respect. The adoption of benchmarks against which progress could be assessed would lend further credibility to their efforts.

70. I call upon the Government of Lebanon to implement past decisions taken by the Committee of National Dialogue, as reiterated by participants at its most recent session, held on 19 August, with respect to the elimination of Palestinian military bases outside the camps. Lebanese authorities recognize that since most of these bases straddle the border between Lebanon and the Syrian Arab Republic and can be accessed from Syrian territory, cooperation between the two countries is essential to achieving this goal.

71. I encourage Lebanon to further its efforts to control its borders and call upon all Member States to prevent transfers of arms and related materiel to entities or individuals in Lebanon without the consent of the Lebanese State. Progress made so far in the development of a comprehensive border strategy for Lebanon is a positive sign, as is the continued operation of the Common Border Force along the northern border with the Syrian Arab Republic. I look forward to the adoption of the comprehensive border strategy in the near future. I am grateful to Member States that are providing assistance for the improvement of Lebanon's border management capacity and call upon the international community to support implementation of Lebanon's comprehensive border strategy once it is adopted.

72. While the delineation and demarcation of the border between Lebanon and the Syrian Arab Republic is a bilateral issue, such delineation is necessary to enable Lebanon to be in a position to extend its control and to exercise its full sovereignty

over all of its territory, as called for by the Security Council in resolution 1701 (2006). I call upon Lebanon and the Syrian Arab Republic to make further progress on this issue and welcome their renewed intentions to delineate their common border, as called for by the Council in resolution 1680 (2006) and reiterated in resolution 1701 (2006).

73. I look forward to concrete steps in this respect by both Governments in the coming months. I also intend to continue my diplomatic efforts aimed at resolving the issue of the Shab'a Farms area. I once again call upon Israel and the Syrian Arab Republic to submit their responses to the provisional definition of the Shab'a Farms area that I had provided on the basis of the best available information.

74. The situation of Palestinian refugees living in Lebanon remains a subject of serious concern. Respect for the basic human rights of Palestinian refugees in Lebanon requires decisive action to improve their living standards. The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) continues to face significant funding shortfalls both for its regular programmes, aimed at delivering basic services to the Palestinian refugees, and for the reconstruction of the Nahr al-Bared camp. I call upon the Government of Lebanon and the donor community to continue their efforts to address the dire socio-economic situation of Palestinian refugees in Lebanon as a matter of priority. I further urge donors, including countries in the region, to continue, and if possible increase, their support for UNRWA.

75. I remain keenly aware that the implementation by Israel and Lebanon of their obligations under resolution 1701 (2006) is greatly influenced by dynamics affecting the region as a whole. Tangible progress in the Middle East peace process would contribute to a positive momentum as concerns the implementation of resolution 1701 (2006) and the stability of Lebanon.

76. I call on both Israel and Lebanon to take the steps necessary to reach a permanent ceasefire and to achieve what the Security Council in its resolution 1701 (2006) terms a long-term solution governing their relations. The achievement of that solution cannot and should not be dissociated from the need to achieve a comprehensive, just and lasting peace in the Middle East, based on all relevant resolutions of the Council, including resolutions 242 (1967), 338 (1973) and 1515 (2003). I call upon the parties and upon all Member States to work decisively towards that goal.

United Nations

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General Assembly
Sixty-fifth session
Agenda item 38
The situation in Afghanistan

Security Council
Sixty-fifth year

Letter dated 26 October 2010 from the Permanent Representatives of the Russian Federation and the United Kingdom of Great Britain and Northern Ireland to the United Nations addressed to the Secretary-General

We have the honour to enclose herewith the United Kingdom-Russian Federation joint press statement on Afghanistan signed by the Secretary of State for Foreign and Commonwealth Affairs of the United Kingdom and the Minister for Foreign Affairs of the Russian Federation on 13 October 2010 in Moscow (see annex).

We request your kind assistance in circulating the contents of this letter as well as the joint press statement as a document of the General Assembly, under agenda item 38, and of the Security Council.

(*Signed*) Vitaly **Churkin**
Permanent Representative of the Russian Federation
to the United Nations

(*Signed*) Mark **Lyall Grant**
Permanent Representative of the United Kingdom
to the United Nations

10-61700 (E) 041110

Please recycle

Annex to the letter dated 26 October 2010 from the Permanent Representatives of the Russian Federation and the United Kingdom of Great Britain and Northern Ireland to the United Nations addressed to the Secretary-General

[Original: English and Russian]

United Kingdom-Russian Federation joint press statement on Afghanistan

Moscow, 13 October 2010

The Secretary of State for Foreign and Commonwealth Affairs of the United Kingdom of Great Britain and Northern Ireland and the Minister for Foreign Affairs of the Russian Federation today discussed enhanced cooperation to support the Government of the Islamic Republic of Afghanistan in its efforts to ensure security and stability in Afghanistan. The spread of narcotics, terrorism and violent extremism from Afghanistan continues to pose transboundary threats to the United Kingdom, the Russian Federation and our international partners. The Foreign Secretary and the Minister for Foreign Affairs agreed to continue to cooperate closely to tackle these shared threats. In particular they agreed:

- To work together to support a coherent political strategy, led by the Government of the Islamic Republic of Afghanistan, aimed at a comprehensive and representative political settlement. They expressed support for the Government of the Islamic Republic of Afghanistan's Peace and Reintegration Programme, which is open to all insurgents who break ties with Al-Qaida, renounce violence and work within the framework of the Afghan Constitution. They stressed their ongoing commitment to the United Nations sanctions regime, as imposed pursuant to Security Council resolution 1267 (1999). Towards this goal they will continue to carefully review each candidate for de-listing from the consolidated sanctions list in accordance with Security Council resolution 1822 (2008). The will also consider names submitted for inclusion in the consolidated list also in accordance with resolution 1822 (2008).

- To work to support the Government of the Islamic Republic of Afghanistan over transition and in particular in assuming lead responsibility for security within Afghanistan by the end of 2014.

- To work closely together to tackle illicit drug production, trade and trafficking in the region, which pose a threat to international peace and stability in different regions of the world, including by making continued progress on reducing and containing the growth of opium poppy in Afghanistan. Noting the United Kingdom's and Russia's plans to strengthen bilateral law enforcement cooperation, they stressed the importance of tackling narcotics along the entire chain of illegal production and distribution (including through support for Afghan-led eradication, promotion of alternative livelihoods, tackling illicit financial flows, intercepting supplies of precursors and taking measures to reduce drug use).

- To support the Government of the Islamic Republic of Afghanistan in achieving enhanced cooperation with international and regional partners to

help ensure prosperity, peace and stability, including OSCE, IMF, World Bank and SCO.

To continue to cooperate through the NATO-Russia Council, noting the helpful role played by the transit route through the Russian Federation's territory for deliveries of property and equipment for the needs of the international forces operating in Afghanistan. They also noted the successful counter-narcotics project carried out under the auspices of the NATO-Russia Council and OSCE, aided by a substantial contribution from the All-Russian Institute for Advanced Studies for the Ministry of the Interior of the Russian Federation, Domodedovo.

United Nations

S/2010/567

Security Council

Distr.: General
2 November 2010

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Note verbale dated 28 October 2010 from the Permanent Mission of Iraq to the United Nations addressed to the President of the Security Council

The Permanent Mission of Iraq to the United Nations presents its compliments to the office of the President of the Security Council of the United Nations, and has the honour to transmit herewith a letter from H.E. Hoshyar Zebari, Minister for Foreign Affairs of the Republic of Iraq (see annex), together with the quarterly report regarding the action plan and timeline for the transition to successor arrangements for the Development Fund for Iraq, in accordance with paragraph 5 of Security Council resolution 1905 (2009) (see enclosure). It would be highly appreciated if the present letter and its annex could be circulated to the members of the Security Council and issued as a document of the Security Council.

10-61770 (E) 031110 041110

Please recycle

Annex to the note verbale dated 28 October 2010 from the Permanent Mission of Iraq to the United Nations addressed to the President of the Security Council

[Original: Arabic]

Republic of Iraq
Ministry of Foreign Affairs
Minister's Office

Pursuant to Security Council resolution 1905 (2009), paragraph 5, which requests the Government of Iraq to report to the Security Council on a quarterly basis and provide an action plan and timeline for the transition from the Development Fund for Iraq, I have the honour to transmit to you herewith the third quarterly report of the Government of Iraq, which includes an assessment of progress against the action plan. The report was prepared by the ministerial committee which is chaired by the Deputy Prime Minister and was established pursuant to Council of Ministers Decision No. 25 of 2010 with a view to setting up a comprehensive mechanism to ensure the protection of Iraqi assets once the mandate of the Development Fund expires.

I should be grateful if you would have the present letter and its annexes circulated to the members of the Security Council without delay.

(*Signed*) Hoshyar **Zebari**
Minister for Foreign Affairs of the Republic of Iraq
Baghdad, 26 October 2010

Enclosure

Third quarterly report of the Government of Iraq

Pursuant to paragraph 5 of Security Council resolution 1905 (2009); further to the second quarterly report of the Government of Iraq (S/2010/365) and the first quarterly report (S/2010/153), both of which were prepared by the relevant ministerial committee that is chaired by the Deputy Prime Minister and was established pursuant to Council of Ministers Decision No. 25 of 2010 with a view to setting up a comprehensive mechanism to ensure the protection of Iraqi assets once the mandate of the Development Fund for Iraq comes to an end under Security Council resolution 1905 (2009); in the light of the observations made by the Secretary-General in his report (S/2010/359), submitted pursuant to Security Council resolution 1905 (2009), paragraph 3; and having due regard to the consensus among the members of the Security Council that the third quarterly report of Iraq should be the final report, the Government of Iraq would like to provide the information that is set forth below.

1. The completed parts of the action plan and timetable for the transition to successor arrangements for the Development Fund for Iraq

In resolution 1905 (2009), paragraph 5, the Security Council calls upon the Government of Iraq to put in place the necessary action plan and timeline by 1 April 2010 and to ensure the timely and effective transition to a post-Development Fund mechanism by 31 December 2010. The first quarterly report of the Government of Iraq (S/2010/153) contains information on the action plan and timeline to ensure the transition to successor arrangements for the Development Fund for Iraq by December 2010. As far as the Government of Iraq is concerned, the implementation of this plan is known to depend, to some extent, on its success in resolving the debts and settling the claims of companies and individuals and, mainly, on the possibility of protecting Iraqi assets and oil revenues in keeping with Security Council resolution 1483 (2003), paragraph 20.

In the period following the submission of the second quarterly report, the Government of Iraq continued its endeavours to determine the immunities to be granted to Central Bank of Iraq reserves and Iraqi Government assets, in accordance with the jurisdiction of the States in which Iraq intends to open accounts. The Governor of the Central Bank of Iraq held formal consultations with Banque de France (the central bank of France) on the margins of the annual meetings of the World Bank Group and International Monetary Fund, which were held in Washington from 8 to 10 October 2010. However, these endeavours and those that preceded them did not produce any results that improved on the situation described in Iraq's second quarterly report: the proposed immunity offered by the foreign banks and institutions that were contacted did not match that provided by a Security Council resolution adopted under Chapter VII of the Charter of the United Nations. In its second quarterly report, the Government of Iraq stated that, in its third report, it would determine its position on whether or not the immunities should be maintained, in the light of contacts with foreign banks and financial institutions and legal arrangements in regard to the claims inherited by Iraq from the former regime. Although the Government of Iraq has put in place legal arrangements to address the aforementioned claims, it has not obtained the necessary guarantees to ensure the protection of Iraqi assets. It therefore finds itself compelled to request a one-year

extension with respect to the protection afforded to the Development Fund for Iraq. It looks to the Security Council to consider its request sympathetically, taking due account of the difficulties with which Iraq has to contend; the fact that, as of the time of writing, political blocs and entities in Iraq have yet to reach agreement on the formation of a new Government after the parliamentary elections held on 7 March 2010; bearing in mind the considerable progress made by the Government of Iraq in resolving sovereign debt and settling commercial claims, claims inherited from the former regime and contracts outstanding from the Oil-for-Food Programme; and also bearing in mind the significant steps taken by the Government to apply the action plan and timeline for transition to successor arrangements, as set out in the first quarterly report of Iraq.

2. The status of the debts and programme of the Government of Iraq, including the bilateral agreements with countries that are not members of the Paris Club

(a) Bilateral agreements with countries that are not members of the Paris Club: Reference is made in the second quarterly report to letters from the Minister of Finance of Iraq addressed to creditor States outside the Paris Club. By way of follow-up to that correspondence, contacts were made with Pakistan, Poland, Turkey and Brazil respectively. However, no tangible and definitive progress has been made in resolving the debts with these countries, owing to technical factors related to the nature of the claims, the dates used to calculate overdue interest or the global financial crisis. Houlihan Lokey, the institution retained as a financial adviser to the Ministry of Finance of Iraq, is following up on the debt issue with the creditor States. In this connection, Iraq looks to the international community to assist it in finding a settlement of these debts.

With regard to the debts owed to the Gulf Cooperation Council, the situation described in Iraq's second quarterly report continues to obtain. The assistance of fraternal and friendly States may be needed to expedite the settlement of these debts, in the light of the steps taken by the Paris Club to resolve Iraqi debt.

(b) Commercial claims: In the two previous quarterly reports, the Government of Iraq described the scheme which it had adopted to settle company claims consisting of an offer to make a cash payment amounting to 10.25 per cent of the total debt owed. This scheme was still in effect at the time of writing this report. In this regard, we should like to explain that there are two types of commercial claims, as set forth below:

- Claims from commercial creditors that participated in previous settlement offers but rejected them because they were not convinced by the cash payment proposition. The claims in this category amount to approximately $774 million. The group of companies concerned includes the British companies mentioned in the second quarterly report. These companies are now participating in a fresh, unilateral settlement offer.

- Claims from commercial creditors that did not participate in previous settlement offers made by the Government of Iraq and did not file claims with Ernst & Young, the accountancy and auditing firm retained to represent the Ministry of Finance of Iraq. To date, it has not been possible to determine the size, legitimacy and credibility of these claims. The only way to do so would be by subjecting them to thorough scrutiny. Iraq is apprehensive that these unidentified commercial creditors may attempt to seize Iraqi funds and assets

abroad once the immunity granted by Security Council resolutions, of which Security Council resolution 1905 (2009) is the most recent example, has been lifted. The Government of Iraq therefore looks to the international community to assist it in this matter and consider the possibility of including in a future Security Council resolution extending immunity for the Fund a provision to the effect that the Government of Iraq will not be liable for such claims after June 2011. Such an instrument would considerably facilitate the process of lifting immunity from the Development Fund for Iraq and would pave the way for the transition to successor arrangements.

(c) Contracts outstanding from the Oil-for-Food Programme: The Government of Iraq is pursuing its contacts with the United Nations Secretariat, in particular the Office of the Controller, in order to deal with contracts outstanding from the Oil-for-Food Programme by paying the amounts indicated, based on the documentation received. At a meeting held in Amman on 16 October 2010 between Iraqi experts and the Office of the Controller, procedures for expediting the settlement of these claims were discussed, particularly in respect of 26 contracts for which payment had been requested from Iraq, in addition to other contracts for which documents may be received by the deadline set for the end of the programme, namely, the end of 2010. In this regard, the Government of Iraq agrees with the comment made by the Secretary-General in his second quarterly report (S/2010/359): "Absent the receipt by the Secretariat of the requisite confirmations of arrival of the remaining letters of credit, the Security Council may wish to consider cancelling those remaining letters of credit that have outstanding claims of delivery."

(d) Individual claims inherited from the previous regime: As mentioned in Iraq's second quarterly report, the draft legal agreement between the Government of Iraq and the State concerned aimed at settling these claims was submitted to the Iraqi legal authorities for consideration. The draft agreement was reviewed and transmitted to the Council of Ministers, which approved it pursuant to its Decision No. 306 of 2010. The draft agreement was then forwarded to the Council of Representatives for adoption.

3. Assessment of improved financial and administrative oversight

The Government of Iraq has taken the following steps:

(a) Iraqi ministries currently operate in accordance with the laws and structural charts that are in force, some of which are being updated in order to be brought into line with the changes that have taken place in the nature of ministry work and are at various stages in the approval process, being considered by the Council of Ministers, the Consultative Council or the Council of Representatives. It is expected that the updated laws will be enacted once Parliament has been convened and a Government formed.

(b) The Ministry of Finance has a valid job descriptions guide which is used by all ministries, some of which have updated their job descriptions to reflect the changes that have taken place in their activities. They will be approved when a Government has been formed.

(c) The committee that is responsible for selecting the chairman and members of the Federal Board of the Civil Service is continuing the work of identifying persons suitable for those positions. A total of 39 suitably qualified

candidates have been proposed and a final list of names will be forwarded to the Commission on Public Integrity for a report on their financial probity.

(d) The Ministry of Finance has gathered together and unified financial instructions and is currently circulating them to ministries for action.

(e) The comprehensive oil metering and calibration system: In coordination with the Committee of Financial Experts, the financial Audit Board is, on a quarterly basis, following up with the Ministry of Oil each stage in the development of that system. The Committee of Experts has been informed of the status of implementation of the system as of 30 June 2010. Price Waterhouse has produced an evaluative report on the system and submitted it to the International Advisory and Monitoring Board for Iraq at the meeting that was held in Amman on 14 and 15 October 2010. Set forth below is the status of meters at Iraqi ports from which crude oil is exported.

Basra Oil Port

Work is continuing on use of the system to meter crude oil exported from the port. A contract will be entered into with a new third tester when the service contract of SGS ends.

Khawr Al Amaya Oil Port

A metering system comprising 12 meters has been installed and will be brought into operation when SGS, the third tester, issues standardization certification. Currently, measures are taken using standards that are acceptable in Iraq and internationally.

The Turkish port of Jihan

The State Oil Marketing Organisation has concluded a contract with a third tester, Inspectorate Hellas, to operate in this port. Since the beginning of September 2010, that company, in coordination with the North Oil Company and the Turkish side, has been supervising export volumes, using the above-mentioned systems and tanker size, which constitutes an additional measure (see enclosure 1: a table that sets out implementation as of 30 September 2010 of the plan to install meters and transfer ownership).

(f) With regard to follow-up to the issue of Iraqi funds abroad, that issue is the concern of the ministerial committee that was established for the purpose at the Council of Ministers meeting of 15 March 2007. There have been no new developments in that field since the second quarterly report.

(g) With respect to completion of the final State financial statement for 2008, on 6 September 2010, the financial Audit Board issued report No. 11298/3/3/4 and the Board of Supreme Audit is responsible for auditing the final statement for 2009 while awaiting submission of the financial data in their final form.

(h) Continual meetings between the heads of audit teams of the Board of

clarified a number of the observations that appeared in the [illegible] observations of the external auditor for the Development Fund for Iraq, as set forth in the table below:

Cleared observations	*Observations under clearance*	*Still valid observations*	*Total*
180 (62 per cent)	88 (30 per cent)	23 (8 per cent)	291 (100 per cent)

Still valid observations are being closely followed up. Most, including those concerning war damage, the automation of financial and administrative systems and American agency contracts, require to be addressed at the legal and administrative levels. It should be noted that the observations that appear in the draft KPMG report on the 2009 audit of the Development Fund for Iraq have been discussed in detail with a representative of that company and it has been agreed that the final report will be submitted in early October 2010.

4. Conclusions

- On the basis of the action plan and timeline that were put forward by the Government of Iraq in its first quarterly report, significant steps have been taken with regard to the settlement of sovereign debt, commercial claims and the claims inherited from the previous regime; contracts outstanding from the Oil-for-Food Programme; and improved financial and administrative oversight.
- The Government of Iraq wishes to close the Oil-for-Food Programme at the end of 2010, by paying the amounts due for contracts where receipt is documented and annulling contracts for which no such documentation is available, as the Security Council deems appropriate.
- The immunity offered to Iraq by foreign banks and financial institutions does not match that provided by Security Council resolution 1483 (2003) under Chapter VII of the Charter of the United Nations.
- Iraq is apprehensive that commercial creditors who were not involved in the settlement offers put forward since 2004 by the Government of Iraq through Ernst & Young may seize Iraqi funds and assets abroad once immunity has been lifted from the Development Fund for Iraq. The Government therefore considers it important that a future Security Council resolution concerning the immunity of that Fund should include a paragraph to the effect that Iraq will not be liable for such claims after June 2011. Such a statement will considerably facilitate the process of lifting immunity from the Development Fund for Iraq.
- Immunity for the Development Fund for Iraq should be extended for a further year, on the basis of the foregoing and of the statement concerning follow-up to the second quarterly report of the Government of Iraq that was made by the Committee of Financial Experts at the Security Council meeting of 12 July 2010, and taking into consideration current conditions in Iraq; the fact that political blocs and entities in Iraq have, as of the time of writing, yet to reach agreement over the formation of a new Government after the elections that were held on 7 March 2010, which has, in one way or another, affected the ability of Government institutions to promptly and comprehensively implement and meet requirements for the timeline for transition to successor

Advisory and Monitoring Board for Iraq.

Attachment

Outcome of implementation of the plan for the installation of meters to 30 September 2010

	(1)	(2)	(3)	(2/3)
Company	*Total plan*	*Planned to 30 September 2010*	*Implemented to 30 September 2010*	*Percentage of implementation*
Exporting companies				
North Oil Company	188	76	86	113
South Oil Company	137	16	43	269
Maysan Oil Company	65	12	29	242
Distributors				
North Refineries Company	239	239	195	82
Midlands Refineries Company	592	107	187	175
South Refineries Company	137	67	24	36
North Gas Company	69	28	39	139
South Gas Company	20	8	3	38
Oil Pipelines Company	410	402	365	91
Oil Products Distribution Company	2 992	2 313	695	30
Gas Filling Company	49	34	25	74
Total	**4 898**	**3 302**	**1 691**	**51**

Signatures of those who attended the meeting of the ministerial committee for the protection of Iraqi assets that was held on Tuesday, 19 October 2010.

Chairman of the Committee: Rowsch Nuri Shaways, Deputy Prime Minister

Members:

Hoshyar Zebari, Minister for Foreign Affairs

Baqir Jabr Al-Zubaidi, Minister of Finance

Hussein Al-Shahrastani, Minister of Oil

Aly Ghaleb Baban, Minister of Planning

Dara Nurredin Dara, Minister of Justice

Fadhil Muhammad Jawad, State Legal Counsel

Sanan Shubaibi, Governor of Central Bank of Iraq

Abdul-Basit Turki Said, President of the Board of Supreme Audit